

## Don't be a debt victim of the credit crunch

So it seems for quite a long time now the headlines of the UK papers have been focusing and reminding people of the current credit crunch that the world, including the UK is facing. It seems that with all this lack of money many people are finding themselves in debt and in a lot of trouble with money in general, not being able to afford simple necessities let alone luxuries. The credit crunch is affecting both financial institutions such as 'Northern Rock' and consumers. The credit crunch was known to have started because of the decreasing housing market and the rise in interest rates. It seems borrowing money became a big problem because interest rates were so high, effectively getting people into more and more debt, lessening the chances of any person spending money on consumer goods or alike. One of the most popular and very recent banking epidemics came from 'Northern Rock'. It seemed this lender's good name was soon demolished after it had to go to the 'Bank of England' for an emergency loan.

When news broke out this effectively led many of the worried savers to withdraw all their savings from 'Northern Rock' in case the bank collapsed. In just a few days over 1.5 million savers queued to withdraw a total of over 2 billion pounds. This of course did not help 'Northern Rock's' situation; furthermore at least 80% of share holders bailed out their shares, leaving 'Northern Rock' effectively ruined. It was cases like these that kept emerging regarding banks, businesses and even retail shops. It seems that the average consumer just did not have the money to go and spend. Today sees a slight change but the credit crunch is still definitely amidst many people of the UK. A lot of people are getting into debt and do not know how to get out of it, as interest rates just keep rising. It is extremely advisable for anybody in debt to visit a debt advisor. With visiting a debt advisor you will be able to discuss your choices, on debt consolidation, management and [iva](#). This will effectively help you pay back your debts, and possibly help discuss agreements on how to decrease your debts and lower or eliminate the rising interest rates that a lot of debtors are facing.

## About the Author

Paul Robgher writes for [debt-free.org.uk](http://debt-free.org.uk) and takes great pride in helping people to be [debt free](#)

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