



PRESS RELEASE

21/04/09

**Help is at hand through MABS to advise and support people
experiencing debt - Hanafin**

“The issues that give rise to problems of over-indebtedness for people are complex and this Combat Poverty Agency discussion paper has an important contribution to make in helping us to understand the nature and cause of debt in households” said the Minister for Social and Family Affairs, Mary Hanafin T.D., today (20th April 2009) at the launch of the most recent Combat Poverty Agency discussion paper ‘A Policy Framework for Addressing Over-Indebtedness’.

“This study will be of interest to a range of Government Departments and agencies, as well as consumers bodies and the banking and credit institutions. The Money Advice and Budgeting Service (MABS), which provides practical help and support to people on low incomes who have difficulties with debt, works closely with all of these interests.”

The Department of Social and Family Affairs is providing almost €18 million to fund MABS in 2009. The MABS has over 250 staff in offices at 65 locations throughout the country.

Minister Hanafin said, **“the Government is absolutely committed to helping people to deal with debt problems. The latest figures show that the average debt owed by new clients, when they first came to the MABS, was some €13,700. Over 5,200 new clients were seen by the MABS in the first quarter of this year and almost 6,300 calls were dealt with by the National Telephone Helpline.”**



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Recent developments by the MABS include:

- An education programme on money management and budgeting for people facing redundancy;
- a money management programme for transition year students which has been developed in conjunction with the financial regulator and
- ongoing liaison with key stakeholders including the Financial Regulator and the Irish Bankers Federation to ensure that the best advice is available to people encountering debt difficulties.

Minister Hanafin continued **“In addition the support of the MABS, the An Post Household Budgeting facility is available to social welfare customers to provide an easy-pay option enabling them to budget on a weekly basis for their household bills. This free service allows customers decide how much to pay towards utilities like ESB, gas, telephone or rent from their weekly social welfare payment.”**

Minister Hanafin also highlighted the new statutory code of conduct on mortgage arrears published by the Financial Regulator which came into effect from 27th February 2009 and provides that where circumstances warrant it, the lender must refer the borrower for guidance to his/her local MABS or appropriate alternative. This initiative is intended to promote early action at a point where the debt may still be manageable for the customer.

Minister Hanafin thanked the Combat Poverty Agency for their work on the discussion paper saying **“the discussion paper shows how we in Ireland are not alone in Europe in facing the challenges of over indebtedness. I anticipate that there will be keen interest in how other countries are endeavouring to address similar problems to our own which have been exacerbated by the difficult economic downturn.”**



ENDS

Notes for Editor:

MABS is a national, free, confidential and independent service for people in debt or in danger of getting into debt. Professional and confidential advice is available. MABS money advisors help clients to assess their financial situation, make a budget plan for the future and deal with creditors.

The Money Advice and Budgeting Service can be accessed in three ways:

- Through 52 MABS companies operating in 65 locations around the country which provide a face-to face service;
- the MABS website www.mabs.ie which offers an online money management facility and
- the MABS national Helpline 1890 283438 (or 1890 BUDGET) which aims to provide ease of access to MABS support for those experiencing debt problems.

The contact information for local MABS offices around the country is also available on www.mabs.ie

The MABS can help by:

- working out a budget suited to the individual or family.
- negotiating on behalf of clients with all creditors including banks, financial institutions, insurance companies, utility companies and credit unions to secure better terms for the client in managing the repayment of their debts.
- assisting, where appropriate, with setting up a special account with their local Credit Union into which an agreed amount of money is lodged regularly and from which each month the Money Advisor makes the repayments to the creditors on behalf of the client and



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- providing ongoing support to people who successfully overcome their financial difficulties.