

Debtors sued for €177m so far this year as cases soar

By Charlie Weston
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THERE has been a surge in court cases taken by the taxman, banks and credit unions against people who have not paid their debts.

Consumers have been sued for a total of €177m so far this year.

The number of court judgments registered against debtors has jumped by 40pc in the first eight months of 2010 compared with all of last year, information provided to the Irish Independent by Stubbs Credit Bureau shows.

Factory workers, people in the motor trade, and hotel and restaurant workers have had the biggest increases in cases taken against them to recover debts.

Accountants, engineers, barristers and solicitors also figure prominently in judgments.

The figures show that 17,539 people have had judgments secured against them by their creditors. In contrast, for the whole of last year 14,360 judgments were secured.

// The Revenue Commissioners took the most cases, followed by Bank of Ireland the credit unions, AIB and Ulster Bank. //

The average value of registered judgments was €29,455 last year.

A registered judgment is successful legal action to recover a debt by the creditor. It is the last legal step to enforcing a judgment and affects a person's credit rating more severely than an unregistered judgment.

The total value of registered judgments increased 93pc for the first eight months of this year, compared with all of 2010.

The value of these judgments rose from €42.4m in 2009 to €81.9m so far this year.

Unregistered judgments increased from €78m to €95m, a rise of 23pc.

James Treacy, Managing director of BusinessPro, which operates Stubbs Credit Bureau, said consumers were drowning under "a tsunami" of debt.

Household

"And judging by the number of registered judgments, creditors are in no mood to make debt write-offs," he warned.

"This isn't just debt accumulated under more favourable economic circumstances. Some of these judgments are for what we call bail-out debt, where over-indebted consumers seek additional loans to meet basic household expenditure, which they are now beginning to default on."

The figures show that there has been a 375pc rise in the number of factory workers taken to court by creditors.

Courtiers and those described as "gentlemen" by the courts also figure regularly in debt cases.

- Charlie Weston