



Tories: We will cure this addiction to debt

By **Alison Little**
Deputy Political Editor

THE Conservatives yesterday vowed to tackle Britain's "addiction to debt" by cracking down on store cards charging "excessive" interest rates.

Shadow chancellor George Osborne also proposed a seven-day cooling off period between getting a store card and using it.

He said: "We've got a big problem in Britain - we're addicted to debt."

"We are seeing the consequences of that as the credit crunch hits and everyone is finding it more and more difficult with the rising cost of living."

Britons owe £2.2 billion on store cards and the number of such accounts has almost doubled from seven million to 13.4 million in the past five years.

The Competition Commission concluded in 2006 that some charged rates which were "above competitive levels" and that



DEBT ACTION: George Osborne

excessively high rates cost the public more than £55 million a year.

Around a third of the 27 most popular cards still charge annual rates of more than 25 per cent.

Some charge 29.9 per cent or more, almost double the average credit card rate, according to Tory research.

On those cards, a balance of

£1,000 would cost £299 in interest payments over a year.

The average store card APR is 24.3 per cent compared with an average 16.3 per cent for conventional credit cards, according to the Conservatives.

Mr Osborne would give the Office of Fair Trading the power to define "excessive", drawing on factors such as mainstream credit card interest rates.

He expects it would apply to interest rates of 25 per cent and over.

He told the Which? Annual Awards in London: "Every four minutes the amount of personal debt in Britain increases by £1 million."

"While many people borrow responsibly, there are a growing minority who struggle to pay their loan bills. With the cost of living rising, that is likely to get worse."

"We need to take steps now to deal with the current problem."

"Of course individuals have the prime responsibility to keep themselves out of trouble, and businesses should only lend to those who can afford it."

"But government has a role in

setting the boundaries and ensuring fair play."

Plans included a new power "to stop store cards abusing their monopoly position by charging excessive interest rates".

The party will consult with industry and consumer groups about implementing a cooling-off period.

Mr Osborne denied his policy was a "nanny state" attitude.

He said: "We all have to pick up the pieces when people get out of control with their debts."

The Tories have already proposed other debt measures.

These include launching Britain's first free national financial advice service funded by a new "social responsibility levy" on the financial services sector.

And Mr Osborne yesterday said that a Conservative government would radically restructure the "rather dysfunctional" Treasury.

He said he would scale back its Whitehall empire, seeking to change the "squash every department" approach which it had adopted during Gordon Brown's 10-year reign as chancellor.

Oldest Tommy is 110

BRITAIN'S oldest Tommy celebrated his 110th birthday yesterday by finally becoming a Royal British Legion member - 70 years after he thought he had joined.

Harry Patch has enjoyed a long association with the Legion but it was recently discovered that he had never officially signed up.

So the veterans' charity has made him a lifetime member and will honour him with an award.

He said: "There are a few things

coming up and I am quite busy. But I don't feel my age - I feel 50."

Britain's oldest survivor of the trenches in the First World War was conscripted into the Duke of Cornwall's Light Infantry as a gunner at the age of 19.

He was badly injured at Ypres in Belgium and saw his three best friends get killed.

Mr Patch, of Wells, Somerset, served in the Auxiliary Fire Service in the Second World War.

Suicide toll reaches 22

A YOUNG man mourning a friend's death in a town blighted by suicides took his own life on the eve of his pal's funeral.

Carwyn Jones, 28, was found hanging from a tree near his Bridgend home - just a few hours before he was due at yesterday's ceremony for neighbour Neil Owen, 26.

The latest tragedy to hit the South Wales town came eight weeks after their fellow friend,

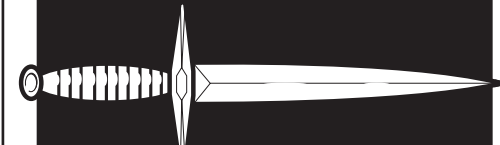
Sean Rees, 19, was found dead. Mr Owen and Mr Rees also hanged themselves.

There have now been 22 young people found hanged in the county since the start of last year.

Bridgend Samaritans director Darren Matthews said: "We need to let people - young and old - know that we are available if they want to talk."

The Samaritans can be contacted on (01656) 662 333.

HICKEY



DID you get the impression that George W Bush was almost revelling in Gordon Brown's discomfort when the latter played host to the most unpopular American President in living memory this week? Safe in the knowledge that he doesn't have to stand for re-election, Dubya exuded a carefree air, distinctly at odds with our PM's haggard appearance.

Observers recount one cringe-making moment in Belfast which seemed almost designed by the President to embarrass his socially inept opposite number.

"When they came to shake hands, Bush took Brown by surprise by attempting what's known in the US as a homeboy handshake," says a witness. "It involves one person grasping the other's hand with his thumb. Brown didn't know what to do."

Imagine your dad making shapes on the dancefloor to Rihanna's latest hit and you get the idea, I'm told.

HIGHLY promising news reaches me that Ed Balls is considering a future life away from the front bench. Colleagues claim the Schools Secretary has privately revealed that he would not be interested in serving under Blairites such as David Miliband or James Purnell once Labour is back in opposition and has ditched Balls' mentor and current leader Brown. "He would prefer to be on the backbenches than do that," says a colleague.

Why do I suspect that such news will fail to spark a spontaneous outpouring of support for Balls within Labour ranks?



DAVID CAMERON might have been on to something when he suggested that Gordon Brown needs a vacation. Holiday booking website laterooms.com is now offering the PM a free weekend at the UK location of his choice.

The site includes tell-tale signs to look for when someone needs a break. They include "blotchy and grey skin", "tense, hunched posture" and "chewed-down fingernails". Or, as it's known in Brown's case, an Identikit description.

ACTRESS Liv Tyler admits to being intimidated by co-star Ed Norton's daunting physique for his role in their new film *The Incredible Hulk*. The latter's toned body was apparently too much of a distraction for Ms Tyler: "There were points when I was like, 'Wait! We cannot do this love scene because his body looks so much more beautiful than mine!'"

Mrs Hickey, of course, has to endure much the same agonies.



THE best cat-fight in the Commons continues to shape up nicely. Tory MP Nadine Dorries and Housing Minister Caroline Flint first squared up in December when the latter took exception to Dorries having reported her and other Labour MPs for allegedly failing to declare donations from pro-abortion campaigners. Flint was cleared but the bad blood remains.

Dorries joined protesters in her Mid-Bedfordshire constituency who greeted Flint last weekend to demonstrate against Government plans to build 20,000 new homes in the area. "When the minister arrived, she was met by a chorus of boos and chants," Dorries says gleefully.

Who cares whether or not England qualified for Euro 2008 when we've got this sort of entertainment?

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