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Debt claims put on hold

Up to 100,000 claims for the cancellation of pre-April 2007 credit card and other debts have been stayed pending a test case.

Many of the claims have been prompted by advertisements by claims-handling firms which have promised that debts can be written off where credit agreements do not comply with the Consumer Credit Act 1974.

The judiciary are planning to select a few claims for a High Court test case to decide the issues involved.

Both the Ministry of Justice and the Office of Fair Trading have warned consumers against relying on the promises made by claims-management companies that many pre-April 2007 consumer credit agreements are unenforceable.