



DRF RESEARCH

Free-to-Client Advice Outcomes

prepared by

Zero-credit

for

The Debt Resolution Forum

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1. ABOUT THIS REPORT

In September 2012, the Debt Resolution Forum (DRF) commissioned Zero-credit to conduct a series of in-depth interviews with people, who had sought free advice more than a year ago. This report focuses on the advice-seeking journey and the outcomes to date of this. Research was conducted, analysed and compiled for this report by Emma Bryn-Jones.

Debt Resolution Forum

The Debt Resolution Forum promotes professional standards for resolving debtors' financial problems and focuses on the quality and appropriateness of advice provided to consumers. The DRF represents a membership that offers the full range of debt solutions and is committed to raising standards, irrespective of solution or professional specialism.

DRF members approach debt resolution by identifying the solution and outcome which are the most compatible and appropriate to the financial and personal position of the debtor. This approach also takes into account the interests of creditors and seeks to demonstrate that any proposal made on behalf of the debtor is reasonable in the circumstances and is achievable.

Zero-credit

Zero-credit Members believe that experiences of debt should inform debt prevention and that all borrowers have something of value to share. The co-operative aims to end debt stigma by creating a strong consumer voice for borrowers through:

- helping people to make informed choices about their finances through digital tools and signposts
- promoting a culture of self-advocacy, irrespective of financial circumstance
- encouraging participation in its research, development and decision making
- celebrating best practice and challenging consumer protection issues
- striving to build people's confidence, skills and experience through voluntary and employment opportunities and training

To finance the above and more particularly, to influence the provision and regulation of personal finance, Zero-credit trades in information, gathered through participatory techniques that:

- encourage borrowers to own a share in the business as Members of its co-operative
- ask professionals and organisations to engage with its co-operative as Subscribers
- publish resources that distinguish between best and poor practice from the consumer perspective
- contribute to the forums where financial services design, delivery and regulation are discussed
- conduct research and development for clients who share its co-operative principles and values



2. INTRODUCTION

Lead generation is a contentious issue in consumer credit. The Debt Management Guidance of March 2012 has created considerable clarity about the requirements of informed consent. However, the fact remains that debtors who appear to have dropped out of advice seeking or a repayment plan are of interest to creditors and debt professionals alike. Some may perceive the motive as profit seeking, others as a reasonable attempt to reach out and resolve personal debt. Without some tolerance for both points of view, any review of this practice is impossible.

This research sampled from a small selection of contacts, believed to have sought initial help from a free-to-client advice agency, more than a year ago. They are likely to have formed part of a database of leads at some point. Other than this, the origins and outcomes of advice seeking were unknown, and the selection process sought informed consent to participate in this study, under the social and economic research RESPECT Code. It also confirmed the use of money advice between six-months and two years ago, to ensure recent recollection of events.

The rationale for this approach drew heavily on prior research with DRF members' clients. Around a fifth of participants to the March 2012 survey had sought free advice before using a paid solution and their outcomes were among the most positive recorded. To explore this client group further, we conducted fourteen in depth interviews in May 2012. A key finding of this study was that referrals from free to client advice agencies took place. However, there were also frustrations with long waiting times and creditor pressure that resulted in self and third party referral to DRF members.

Through its research programme this year, the DRF has gained an increasing appetite to ensure that clients make an informed choice to work with their members. From both the DRF and others' research, there is strong evidence to suggest that a service of last resort does not support informed choice and does not achieve sustainable outcomes. With this in mind, the purpose of this study has been to explore some of the experiences of advice seekers whose outcomes are unknown.

Whether a database is for marketing or research sampling, it benefits from having recently verified contact details. Despite the most recent guidance from the OFT, some social networks experience frequent updates from lead generators keen to market such information, often to more than one party at a time. Working with unused contacts from over a year ago is one reason for difficulties encountered in meeting the original research brief. However, many of the experiences shared in this report are pertinent to understanding the damage that unsolicited marketing can cause. The DRF has taken a bold decision to confront this.

Throughout October 2012, nine in depth interviews were completed with individuals and couples, taking place in their homes, with one conducted over the phone. All interviews were recorded, lasting up to one hour. They covered a range of topics to explore circumstances before and since seeking advice, how participants had set about seeking advice, positive and negative experiences of the process, and recommendations to new advice seekers, as well as to creditors and debt professionals. The discussion guide is included in Appendix A to this report and participants' brief summary of their household profile and financial circumstances is in Appendix B.

There is a certain humility in being invited into someone's property and even more so, when welcomed into a home that is under-furnished and clearly experiencing considerable poverty. Such were the circumstances of a significant minority of participants and this research is indebted to their candour. The original brief was to complete twelve interviews, but of the fourteen booked, five were cancelled, three without notice. The grid overleaf compares the selection criteria against interviews booked and completed.



	Gender		Area			
	Male	Female	Scotland	Wales	York/Hum	Mids
Min	5	5	2	2	2	2
Ideal	6	6	3	3	3	3
Max	7	7	5	5	5	5
Total	12		12			
Booked	5	9	1	2	4	7
Completed	2 (+spouse)	7	0	0	3	6

3. EXECUTIVE SUMMARY

For the most part, participants were very satisfied with the free advice services they had received. Most had learned about agencies through informal networks such as friends and family or had a general awareness that certain centres offered general advice. The relief that this created extended to debt advice was apparent and there was unanimous support for free debt advice, in several instances, extending to free solutions, like bankruptcies and Debt Relief Orders, also.

Participants particularly valued the reassurance that advisers gave them and often referred to learning about other places to find help, through posters and leaflets promoting other welfare related services that they might use. It was less often the case that they were referred to another agency for debt help, unless this was for specialist insolvency practice. All but one said that they would return to the advice agency visited, as well as recommending it to friends and family.

This study echoed the findings of others conducted for the DRF throughout 2012, and indeed research published by the Money Advice Service (The effectiveness of debt advice in the UK) and the Money Advice Trust / Lloyds Banking Group (Sustaining Debt Repayments), in that repayment pressure from creditors was a driver for seeking advice. However, experiences of referral by creditors to free advice agencies were rare and several participants expressed frustration that offers made without the support of a third party were rejected.

There were many reports of creditor pressure continuing after advice had been sought, in some instances, refusing to accept a case number, in others attempting to persuade participants to pursue another course of action to that arranged by an adviser. One participant reported actions to secure additional repayments after an IVA had been place for six months. Two others reported pressure to use another adviser: one of these was a free provider, the other a commercial debt management firm.

It was clear that participants were often fearful of creditors and that the free advice agencies contacted played an important role in addressing this. Some took great comfort in advice that creditors were powerless to seek more than token or no repayments, when incomes were very low, but none of these participants mentioned any warnings given about pursuing such action. Two participants felt that creditor action had forced them into insolvency.

When asked if they could recommend other places to find help, most participants could not. There was a strong tendency to recommend the agency currently used and to rely on informal networks, such as friends and family. Whilst the internet was suggested as a means for searching for advice, only two participants had used it. It is highly likely that one of these visited a look-alike website. It is important to recognise that word of mouth recommendations can be the backbone of social cohesion, but have the potential to spread inappropriate messages.

Some of the creditor and debt advice actions reported both before and since free advice had been sought could be contrary to the Irresponsible Lending and Debt Management Guidance. Principally, these related to failing to treat debtors with forbearance and the transparency of referring debtors to a third party. It was not the remit of this research to investigate non-compliance. However, ethical approaches to disclosing experiences revealed in research of this kind are now under discussion with the OFT.

4. GOOD ADVICE

MID1	MID2	MID3	MID4	MID5	MID6	Y&H1	Y&H2	Y&H3
😊	😊	😞	😊	😊	😊	😊	😊	😊

All but one participant in this study was highly satisfied with the free advice agency where they had first sought help. There was a lot of support and praise for advisers and agencies, together with a widely held belief that free support was essential to vulnerable people on low incomes. Several participants gave examples of circumstances that they considered as making people especially vulnerable and these often included, having small children, having a mental health problem, being over retirement age and unexpected redundancy. Some also suggested that the impact of not offering free and impartial help presented a cost to the welfare state.

For the people that say “Oh well, they’ve done it themselves, let them get on with it themselves” - the person they might be saying that about, if they are left to get on with it themselves might get even worse. They might draw more resources from, you know, other places that could, rather than be helped at the time they can be helped, be left to get even worse. And then, like you know, could make themselves ill, so then they could be took into hospital and drawing on the hospital resources, do you know what I mean? In a way, it makes sense to help people early, and help them, than let it get further along and you might end up spending more money helping them, because they are further into it. I don’t think people see that, that haven’t been, like you say, haven’t been in a debt situation themselves. It’s like, “Well, they had this, they had that, let them get on with it and pay it themselves”.

MID1

Choice felt empowering to the mother of a large family, when her partner had lost his job. It was clear that she had noted all the signposts to other help around the advice centre she had visited.

Well they, they, I took all my details and all my information with me and then they gave me options of what I could do rather than just say, “Oh, just do this”. They gave me a broad like sort of options and then we chose which was the best option for me. But then I mean, while you’re there, they’ve got notices up to say they deal with lots of other things. So actually, getting there, then you know what they can deal with, so if you have a problem with something else, you could probably go there. I think they have posters up for, you know, neighbour issues, and racial issues so they deal with a broad range of things, but like I say, I didn’t even know the company [sic] existed really, till I got there, so... It was well advertised within their place, but not outside of there, if you know what I mean.

MID1

For a couple, dependent on disability and carers’ benefits, a helping hand to set up repayments seemed to be the perfect start to going it alone.

Spouse We actually went to the library and had a meeting with one of the [rights agency] people, didn’t we?

Yes, yes... ...they had a look at and all the debts, we’d got and they got payments lowered for just a few months, just to help us get a bit straighter. But then when it was time for them to go back up, we knew that we wasn’t going to cope, so then we thought, it’s time now to sort something out ourselves.

MID4

Similarly, a lone mum, who had overcome addiction to find work and care for her two children, felt that the advice enabling her to deal with creditors herself was of real value.

If you can't handle talking to them you must see that advice out. It's free advice out there, you can go in without paying, seek that out and they'll deal with your debt. Hopefully, they will deal with them, cause sometimes they don't, but depending on how confident you come across they'll let you deal with it anyway, that's my experience with [advice centre].

Y&H3

However, most participants welcomed the relief of having an adviser who was on their side. For a recent widow, the informality and level of personal service from her adviser could not have been more appropriate at a lonely and difficult time.

I spoke more to him on the phone, because then he used ring me and say "Are you alright, [name]?" and then on the day of the bankruptcy, he rung up and says, "Are you alright then [name]?". I says "Thanks ever such a lot, [name]". I even sent him a thank you card, and he rung me up to say thank you for the thank you card, and he says to me "You're not going to be a naughty girl again, are you?" and I says "No, no" [laughing]. And it's nice like that.

MID2

Another widow, with a disability and caring for two disabled adult sons, valued the range of services she could access at her local advice centre. There was a real sense of trust in advisers who were always looking out for her interests.

Yes I've been before... cause they helped me with my disability things like that, you know, helped me get a rebate and if there was anything I was entitled to, they sorted it out, they are very nice.

MID5

For a recently bereaved couple, who had just lost their elderly dad, the ease and informality of meeting an adviser in person was a real benefit.

I went for advice to see who I need to see for advice, if you know what I mean... And they said "Oh, we do that", so we sat, we chat, she was ever so nice, no you shouldn't have done this, no, what's the word, she didn't care what I've done, you know... that's it, she wasn't judgmental, we just sat and we talked. We sat, we talked, I explained everything, then she went to see her line manager, that was what she called it. She went to see him and she come back down and says "You need to see a proper debt advisor"... And me and [name] went to [town] – it were a young lass – she was smashing and we sat down did the income and expenditure form with her and she says "I'll get this typed up and sent off for you, make sure everything is down" and I thought "Fair enough, love".

Y&H2

It was also good to hear that a charity visiting a man injured on active service, extended their care visits to a full assessment of his family's financial circumstances, enabling his wife to enter a free debt management plan and prioritise their small children.



They sent people around who came to visit my husband regularly just to make sure we were ok and if we need any help or anything... and they put us in touch with the right people, we didn't even know, I mean, that that was available.

...and the money advisor I was able to e-mail her with any questions or anything and they e-mailed straight back and they were really really helpful throughout the whole thing, and if I was worried about anything she would e-mail straight back explaining what to say to them and everything.

MID6

The highest level of care came from an adviser who visited a young mum, who was under the long term care of a counsellor, when she was about to have her baby.

Yes it started with the GP and I know my GP quite well, and I'd moved on from the point that, you know, that I was hiding it by this point. It had just got ridiculous, and I was getting upset, and I wasn't sleeping, and I mean my poor dad was having to fork out bits of money to pay this and bits of money to pay that ... [my counsellor] got the numbers, because, I think you have to get like a local number or something. Well, she got me the number, and I think she spoke to them briefly, made an appointment then yeah, she made the appointment with me to go see them and then it was just out of her hands then. She sort of did the initial appointment making bit and then she just left me to it and I went off on the path to [advice centre]. I think I had to meet up with them twice, I think I met them once, in the hospital somewhere, and then next time, it was in their offices.

...[the adviser] did a couple of things, she sent a letter out to them all, explaining how I'd got myself into debt. I mean, it was a really good letter to be honest, because she said, very, very, very rarely they will write off a debt depending on circumstances, but I mean, no one did in this. I mean a lot of mine started like, when I was 15 I lost my mum and then sort of as years went on, it was just other things happening and happening and we could see a trigger every time to my spending and sort of, how I behaved with the money. So, she wrote this really brilliant letter and sent it out to everybody.

Y&H1










However, these experiences contrasted with the feelings of a spinster, unable to maintain the repayments originally agreed through her adviser. Her disappointment was exasperated when communications between the second adviser she was working with and her creditors started to break down.

I went back to [advice centre] but because I broke my agreement, they wouldn't have owt to do with me again, but this other gentleman started taking it over and he keeps saying he's writing and they keep saying they haven't seen a letter.

...Well, I went out, I missed one or two payments, so I went back and I felt, you know, I felt hurt really, to think, just because I'd missed two payments she wouldn't take it on again.

MID3

5. CREDITOR BEHAVIOUR

MID1	MID2	MID3	MID4	MID5	MID6	Y&H1	Y&H2	Y&H3
								

Common to research published by the DRF and others this year, there was evidence of creditor pressure as a driver for advice seeking.

Letters come in, then the phone calls.

MID5

I think it's probably a lot to do with the threatening letters that you get from the companies, that sometimes prompt you to look at further help.

MID6

However, participants in this study tended not to perceive these communications as particularly helpful. Moreover, most participants did not recall correspondence from creditors recommending they seek free advice. The main exception to this was a young mum, who had been tackling bereavement and debt problems since her teens.

For me it was when it got bad, when it got to the point that, the letters were coming through the door, and I couldn't do anything else. I mean, with a lot of the letters you do get, a sort of a leaflet now. But it seems to be a pretty standard leaflet that says about, that you know, if you need help blah blah blah, and it's got some details on there or to ring them and to let them know you're struggling to see if they can help. So, there is stuff, but you do bury your head in the sand a little bit, you want to pretend that it will go away, or, you'll win the lottery, or...

Does it make a difference that there's a leaflet?

To a point. It was strange that it was just a standardized photocopied leaflet that they all seem to have, but I don't know if that was because maybe they are all inter-related or whether it's just a government thing that they have to do, I don't, I don't know really know why but...

Do you remember anything about what it looked like?

The leaflet? I could probably find you one if you want.

No no no, I just wanted to know whether you recall...

Now it was just a bit, it got to the point that... it was just a black and white printed sort of leaf-letter thing, and there it just got to the point that if you've seen it once you'd bin them, ha ha!

Y&H1

There were several complaints that offers made prior to seeking advice were "unacceptable". For instance, when sudden redundancy cut a household budget substantially, efforts to inform creditors of a change in circumstances were not effective.

...I felt in a way, I felt a bit bullied by my creditors, that “no, you have to pay this”. I mean, I didn’t dispute the fact that I had to pay the money back, I wanted to pay the money back, but what they were asking me to pay, I just couldn’t afford it. I mean we were already, like, I mean, there’s five of us in this house, and we were spending like £40 on shopping, so I could use the money to pay my creditors.

MID1

Another issue was creditors’ lack of sensitivity when faced with bereavement. In the case of the couple, who had just lost their dad, the husband was adamant that their creditors were preying on his wife and he felt it bitterly unjust that a grieving daughter should be brought to tears.

Yeah, you know, and I phoned up and I says “What the hell are you talking about? Why are you phoning her?”

Spouse I just came off phone and cried, didn’t I? They said they want it in three months, there’s no ifs, buts or anything and he just walked in.

I just walked in.

Spouse He says, don’t be silly, they can’t do that.

So, sometimes I think it’s that if they find out it’s a woman. All right, not all women are the same but the state she was in, they were taking advantage and I think it’s totally wrong and I just... I mean, once you can forgive them, twice it’s done on a purpose, and it should be put down, and I also find, they don’t and [bank] is one of them, they don’t record everything that was said.

Y&H2

After recording her interview, a recent widow confided that it was the response of her bank, which determined her resolve to declare bankrupt. Encouraged to spend some of a consolidation loan to meet funeral costs on a short break, a subsequent account manager criticized that she should have considered her obligation to repay before borrowing so much money in the first place.

When they started bullying me on the telephone and the letters that was coming. And in the end I says to them “I’m doing something about this”, I says “because I’m not happy”, I says “you’re making me ill”, I says “and I’ve just lost my husband”. I said “Are you proud of what you do?” I says “I’m offering to pay bits” but they wouldn’t accept it. I says “right if you don’t accept it I’m going for advice”, then I went for advice, I went to [town]. I went to [advice centre] and he says “[name]” and he looked at all my affairs and everything and he says “[name] if you wanted to you can only pay a pound a month and there’s not a thing they can do. If I sort this out, for you, get in touch with them”, he says “but on the other hand”, he says “what about bankruptcy?” And I went [shrugs shoulders] and he went “[name], it’s nothing to be ashamed of” and I says “that’s how I feel”, he said “no”. Anyway he did, he sorted it all out for me and I went to [town]. I mean it cost a bit of money, but one of my friends, well my friend lent me the money, and then I gave it her back obviously. And my friend came with me, yeah, and after she says “There you are” even them at the bankruptcy, they weren’t nasty at all, they just said “Oh it’s one of them things, it can’t be helped”.

MID2



Another participant felt that pressure from creditors had led to her insolvency also. There was a real sense that treating people who cannot pay as though they were people who do not want to pay was not sustainable.

I mean, I'm glad for that agency but I think the creditors should be more helpful. I can understand from their point of view, that you know, they might not believe everyone, that are saying they're in this situation, they might not be, but they're telling them they are. I can understand that. But, the people that are trying to pay it back and are willing to pay their money, they're just not really, well, some of them are not really helpful with the situation that I had. You know, my home life wasn't important to them, they just wanted their money, and it didn't matter whether I was feeding my kids or not, they wanted their payment. So, I think, you know, in an ideal world, the creditors would be more accommodating. I mean, at the end day, I took a DRO now, so I probably am not going to pay that money to them, whereas if they had accepted my payment that I could afford, they would still be getting paid now. So, do you know what I mean, to me it don't make sense that they are so harsh like that.

MID1

The perception that creditors would only negotiate reasonably with debtors through a third party was as strong in this series of interviews as it was in those conducted throughout May 2012 and this was often expressed as an injustice.

Saying they won't accept me paying £80 a month, like I have done, but only if somebody else in authority gets in touch with them, they'll accept that. And then, as I'm saying, they're putting interest on all the time. I don't think it's fair, they just want somebody in authority to just say that and then they'll accept it, but I've sent all the details off and everything and they still won't accept it.

So you think they should take your word for it?

Yeah yeah.

Why do you think they should take your word for it?

Cause it's all in black and white, what I'm paying out, and what I've got coming in, you know.

MID3

However, reports of creditor behaviour after a debt solution was in place were more concerning. Some debtors' desire to make more than token payments was apparent when reporting the interviews conducted in May 2012. In this series, a lone parent was so committed to attempting to clear her debts that she often made occasional offers above her agreements only to find that her creditors returned seeking more. It was worth noting that she had recently fallen into rent arrears, and whilst confident of where to seek further advice, her desire for independence seemed to offer potential for exploitation.

Always pay just what you agreed to pay back because I have said "No, I'll pay extra with what I can pay now" and they said "Yeah but you said you were going to pay so much" and I said "Yeah, and I paid more because I could afford more and I'm not going any further now and that's that."

Y&H3



It was particularly disconcerting to learn that a major bank considered it appropriate to reject repayment arrangements in addition to those in place through the advice centre that its client was already using and insisted on putting this person through to a telephone based charity.

Well, he said "It don't matter. My advice will still be the same. We deal with these". So, I just did the same with them as I did at [advice centre]...

So have you got one lot of agreements sorted by [advice centre] and the other lot sorted by [telephone charity]?

Both Yes.

Spouse They're only sorting one thing, aren't they? The overdraft. But what you were saying about what could put people off, I think people are embarrassed, cause we were.

Yeah, they're scared.

Spouse Scared and embarrassed, but we knew we've got to do something.

Scared of who or what?

The creditors, what they're going to say, what they're going to do.

Spouse Are they going to chuck us out of the house, are they gonna... you know. All that, but I said to [name], well, whether we're scared or not we've got to do something.

We've got to do something.

Spouse We can't just sit here and sort of go under if you like, you know.

That's what made us do it.

Spouse Especially when you've never been in that situation before, it's scary. And we had never had a problem with money.

... Spouse I think it's different as well cause you only spoke on the phone, whereas [advice centre] there was face to face.

Yeah, this is where...when you speak face to face, as you know, you can tell people, you can see the eyes, on the phone, it's so, dead, bland, he could be angry and you don't know, he could be happy and you, because the phone is such a, how would you put it?

Spouse I know what you mean.

You haven't got the facial expressions, or the gestures.

Yeah that's it, it's so clinical, a phone is very clinical, I find.

Y&H2

There seemed to be little difference between this and the apparent coercion of a disabled widow, whose creditor had attempted to persuade her that making contact with a fee charging debt management company would be better for her than the debt relief order she had just registered.

Did any of the creditors tell you, you could go to [an advice agency]?

...No, they suggested one of their own people.

Do you remember?

Something beginning with "[letter]".

[Letter]?

Yeah.

[Free sector name beginning with letter]?

No no.



[Fee charging name beginning with letter]?

Yeah that's it, but they wanted £90 every month, I think it was they said.

Oh you spoke to [DMC]?

I spoke to somebody that, and I said "No I'm not paying that". No no I told 'em I went to [advice centre].

Right, can you remember which company told you to go to [DMC]?

It was, they dealt with all those catalogues.

...Can you remember the names of the catalogues?

It was [list of 3], all of them were. I think that's it [list of 3].

MID5

Other participants reported attempts to collect repayments when they were in or embarking on insolvency procedures. For instance, a couple who were six months into an IVA were still receiving calls from a catalogue company that wanted repayments in addition to those agreed and being paid.

She did say to me on the phone "I can see, this and the IVA is sorted out", I says "Why are you phoning me then?"

MID4

It did not seem to matter that some participants had case numbers, which creditors had received from their advisers either.

Oh they don't leave you alone even if you got a number. "We want proof", I said "what proof do you want me to get? I've got the number here from [advice centre]", "Oh no, that's not acceptable".

MID2

In some instances, not only were calls still made, they were also persistent.

I just said to them, "Look, I've put in for a DRO, I'm not going to speak to you about this anymore, because it's all being dealt with". And they were like, "Oh right, ok, we'll put that on the system". And then somebody else would phone me, and I'm like, "Well, this is the third time you've phoned me and the third time I've told you I've gone for a DRO, so, no more phone calls please".

MID1

Perhaps the worst experience of contact made by a creditor after advice had been sought involved a company, which had been sent a medical evidence form that explained the participant's mental health.

Obviously cause they wanted money and stuff. I almost got a feeling that the ones ringing up for these £10 token gestures, that they were getting some kind of commission for managing to get some kind of payment off me I don't know. It was almost like they were getting something out of it, they didn't have my interests, it was just, "But we have this, that needs paying". And it was like if I had the money I'd pay it, you know, it was just going back and forth and I had one guy, I can't remember which company it was, who was really quite rude to me on the phone.










Can you remember what he said?

He was just very snappy and like, "You need to give us money," and I was like, "I don't because I'm starting up an IVA," and he was like "But you haven't got one yet". And it was just like, "But I am in the process so you know, it takes time and I've been told not to make any payments" and he was just "Who's told you that?" I ended up putting the phone down on him and to be honest I don't remember who it was, but I just remember coming off the phone, "Argh". You know they're supposed to be able to help you, but they're quite happy to dish out the credit but as soon as anyone gets into any trouble they don't want to know.

Y&H1

Despite high levels of satisfaction with free advice agencies, it was becoming apparent that several of the participants in this study continued to be vulnerable after help had been sought.

6. OTHER PLACES TO FIND HELP

MID1	MID2	MID3	MID4	MID5	MID6	Y&H1	Y&H2	Y&H3
								

Recent research published by the Money Advice Trust and Lloyds Banking Group reported an information gap amongst debtors seeking free and impartial advice. This study explored participants' awareness of free advice other than that which they had used and this was both topical and pertinent to the potential for vulnerability apparent in some debt collection practices. An acceptance of creditors' right, and in some instances fear of their powers, seemed to be forcing some people into actions that could be inappropriate to their wishes and needs. Despite this, there was support for a choice of advice providers, and amongst participants in this study, the preference was overwhelmingly in favour of free advice.

How important do you think it is that you have got choices of places to find help?

Yeah, I think it's very important because if you don't get on, or have confidence in the people that are helping you, you should be able to have another choice, you know, you shouldn't need to just try and deal with it on your own. You should have another choice of where you go to get help.

MID1

Awareness of other sources of advice creates an additional layer of resilience. In the context of the consumer market in which credit was acquired, it also reflects the capacity for choice, which is essential to informed decision making and supportive of a return to financial independence. If the sustainability of debt solutions and the rehabilitation of debtors are important, then the capacity to make choices based on practical information and rational thought is essential. Only three participants felt confident of finding a reliable free advice alternative and it is most probable that one of these was grossly mistaken, since the experience involved what was most likely to have been a look-alike website, this is reported in the next section, which relays possible non-compliance with OFT Guidance.

With few creditors reported as signposting participants to free advice agencies, it was important to learn which other sources of free help were known. Regrettably there were several participants who had no idea where else they could turn, if they needed to.

I don't know of anywhere else... I don't.

MID2

I don't know of anybody else, cause I've only stuck to them.

MID5

Retired, and with physical disabilities affecting her mobility, the spinster who was still waiting for her adviser and creditors to communicate seemed resigned to her circumstances not being resolved.

Thinking about all of your credit accounts, how would you describe your situation now?

Depressing.

...Well I don't think I'd go to [advice centre], I'd try another one.

Can you name any other places?

No duck, I can't, cause it's the only place I went to really.

...I don't really know apart from them.

...Cause I've never been in this situation before, you see, so I won't know owt where to start it.

MID3

Another issue was the perception of long waiting times at some advice agencies and in some instances, there were experiences of this too.

I would say [advice centre] but our experience of trying to contact them has been disastrous, because you have to try and find them or to make an appointment to go, which isn't always feasible because my husband is disabled and we've got small children. Trying to do that is a bit tricky, but I would recommend them to people who are able to try them.

MID6

I know [another advice centre], but a lot of people seem to have problems getting appointments with them. So, I mean, the one we went to was local and run by a charity but I only knew about it from the family member, so...

...My mum had to go to [another advice centre] and the times that they were open, was the times that she was at work. She couldn't, she couldn't get an appointment cause I think what you have to do is get there very early in the morning, stand in a queue, wait to see if you are going to get seen and then they give you an appointment after that, to go back. Because she was working at the time for the morning, she couldn't get access to get an appointment.

MID1

The [local centre] hadn't got one for three month. They were fully booked.

Really?

Yes, they were fully booked for three months, the only one they'd got were, I'm sure is, were [town] and I says "Right, that's fine, I'll go there".

Did you wait the 3 months from going locally to going to [town] then?

No, a week.

How did it move so quickly, what happened, what changed?

She got a cancellation for us.

Right.

And we went to them.

Spouse *She phoned and asked if we could go on that day and we said “yeah” and we went on the bus.*

Would you have waited three months though, do you think?

I don't think we could have waited three months to be honest.

Y&H2

Several participants mentioned that debtors could search for debt advice on the Internet, but only two had actually attempted this. As mentioned previously, it was highly likely that one couple had encountered a look-alike website. Generally, there was a dependence on friends and family to recommend services, which they had used.

7. NON-COMPLIANCE?

MID1	MID2	MID3	MID4	MID5	MID6	Y&H1	Y&H2	Y&H3
?	?	?	😊	😞	😊	😞	?	?

The two key pieces of regulatory guidance, which inform the treatment of debtors are the Irresponsible Lending Guidance, which relates to creditors, and the Debt Management Guidance, which relates to debt professionals. Some of the debt collection practices reported previously in this document have a bearing on both sets of Guidance because referral to debt management by a creditor implicates accountability from both parties.

To begin with possible non-compliance with the Irresponsible Lending Guidance, the key principles of fair business practice aim to prevent:

- misleading and oppressive behaviour
- unaffordable / unsustainable agreements
- misinformed choice
- ignorance of repayment records
- unfair treatment of borrowers in difficulty

More specifically, Section 7 sets out appropriate handling of defaults and arrears. Some may consider bereavement to affect a debtor's capacity to make relevant financial decisions at a particular time. Of course, it is impossible to know whether a recent widow told all of her creditors about her loss calmly and lucidly, but there was little doubt that she credited their communications with her bankruptcy.

Yes, I think if they would have been more sensitive or polite, understanding, I would have tried to sort it out. But I just couldn't go on with what they were doing.

MID2

The same Section requires creditors to exercise forbearance, especially when there has been an unexpected income shock. Some may question how long a family of five takes to recover from the redundancy of the main income earner. However, there was little doubt that the mother felt that her creditors drove her to insolvency.

I offered to pay what I could afford and they refused. Well, they said, "No, we can't accept that," and then she said, "Well, we can accept it, but the interest will double your amount you owe us". So basically, they wanted, say £65 a month, well, I said I could afford £30 and she said, "We'll accept the £30, but instead of owning us £500, you'll owe us £1000". So I said, well, I'll try and get the £65, because, rather than doubling my debt, but it just went from bad to worse. So they did sort of, well, they made it hard, to accept.

MID1

In suggesting that where an appointed representative has made a reasonable proposal, the creditor should accept this, the Guidance tends to infer that debtors managing token repayments after negotiation of these by an advice agency should not be required to increase these amounts. Clearly, a lone parent (Y&H3) who is willing to add the occasional extra, is varying her agreement. However, a key principle of self-management is the responsible rehabilitation of debtors.

Specifically, paragraph 7.18 reads "Requiring unreasonably that all arrears are paid in one payment, or in unduly large amounts, and/or within an unreasonably short period" is disproportionate and unfair. How much more unfair is this, when the debtor has recently lost a parent? Is forbearance also a question of proportionality?

Spouse *And because I was grieving as well you see I weren't in my right frame of mind.*

And I don't think, I don't think they should be allowed to brow beat people into saying things. She were going to be paying it all off in three months.

Spouse *Well, I weren't, but that's what they said I were doing.*

Y&H2

From the first series of in-depth interviews, exploring outcomes for DRF members' clients in March 2012, it became apparent that sustainable outcomes depend on considerably more than informed choice. People may be additionally vulnerable when other experiences influence their perception of both their circumstances and their options. By far the greatest issue when attempting to support vulnerable people lies in the ethics of when to remove that support and leave independence to thrive.

An incapacity to make decisions can crucially affect quality of life. Those who lack capacity are vulnerable to abuse from others, ranging from overpaternalism to exploitation, neglect and violence.

Rowena Jones "Review of the Mental Capacity Act 2005" The Psychiatrist 2005

Despite considerable efforts by many in the credit and debt professions to work sensitively with vulnerable people, there is little doubt that an appropriate balance can be difficult to effect. The following account by a couple, where neither held qualifications since compulsory education in "special schools", demonstrates the considerable resilience of their mutual support. This may well have been overestimated by the original agency where free advice was sought. The outcome to date seems to be that, since the man was discharged from bankruptcy in 2004, he and his partner had accessed credit to a value of



£25,000. They are currently in an IVA, identified through what they believed to be a government website.

The signal I needed to get help first - it happened 2006, because I was working from 2002 to 2006 because I had not started caring for [name] then, but then when [name] got worse I had to give up work and with all the trouble there was less money coming in.

Right, ok. Is there anything that discourages people from looking at money advice?

Spouse No

No

So it's quite easy to go and look for it?

Spouse Best thing we ever did.

Because what I did first, I applied for bankruptcy on the internet. They then phoned back to say "You don't owe enough for a bankruptcy, but we're going to get you in touch with a debt company, who do IVAs and things" and that's how I've done it.

Right ok, who called you back?

It was a gentleman from the courts for the bankruptcy, and he says they do a process in there where it's a debt consolidation and it's an IVA and it's just taking it into account.

Ok, are there any particular triggers that prompt people to look at help, things that happened that you think now is the time to ask?

Yes, there is because we stopped meals and eating for about 2 weeks.

Oh no!

Because...

Spouse We've got pets and it's either the pets or us.

So, we thought...

Spouse You've obviously got to feed a pet.

So, we stopped buying our food.

Spouse So we'd stopped buying food like from shops that were expensive anyway, so, so we then realized that we need help.

Yes.

I'm really sorry to hear that, it has been really hard.

Yes.

What would you recommend to encourage people to look at help? If somebody is like a bit nervous, what would you recommend?

What I would recommend, is to first of all phone [advice centre], and get advice about the debt, advice and then what to do, if there is anything they can help you with, they will then tell you what's the best thing.

When did you first decide to seek help?

It would have been in...

Spouse February?

March, March. March this year.

March this year, but you said that the problems started in 2006, so that's quite a little while?

Spouse It's like you don't want to admit that you've got a problem so we just carried on.

We just left it and left it.

Spouse And then it really got too much for us to handle and it was a struggle between us and we just had to get it sorted.



So we just tried to pay a bit there and a bit there and a bit there, but of course the companies didn't want just bits and bits, they wanted it the full, the full payments or whatever so, we just thought we have to do something about this.

Was there something that particularly made you, cause that 6 years must have been tough, was there something that particularly made you in March this year, think, "that's it, I'm going"?

Spouse We talked about it, didn't we? We said we've got to do something, because we can't go on anymore doing this and my family says, they can tell the difference between you, how happy you was and how not so happy these times.

I also, unfortunately, I'm prone to suicide attempts... because I've got a, an issue, because I was abused by my father, physically with fists and whatever and I've attempted suicide at least 3 or 4 times, and I've been to counseling 3 or 4 times. So I thought I'm not going to get into this again because sometimes I think the only way out is to be dead, but this time I thought I'm not going there, I'm going to get help instead, so

Spouse That was my biggest worry that he'd do something silly. I just didn't want to go out anywhere and, leave him, and waste my time sort of thing, but it's horrible, I just didn't have a life outside because I was keeping an eye on him all the time.

Well done for tackling your demons and doing that, that's a big achievement, big achievement. Where did you first seek help in March this year? Where did you go?

I went on the internet, to look at bankruptcy and that's, that's what I initially applied for.

Can you remember which website you went to?

Well I put in "How do I go bankrupt?" and a site came up though I can't remember what it was now.

Was it a company or government or a charity?

No it was actually a government site.

Right.

It was like an official government site with courts and everything, yeah, because the application went straight through to a court, so.

So you actually filled out an application online?

I did yes.

Wow, ok, and how did you go about doing that, I mean, what did you do to find that website?

Well I just put in, in the Google box, "How do I go bankrupt?" and it brought up all the different sites, so I picked the one which I thought was best.

Okey-dokey. And what information did you get from that website at the time?

Well, it didn't give any information because the information would come later. All you did was just fill in your details and send it off and then they would contact you afterwards to go through your details.

Right, ok. And how did it make you feel at the time when you filled that form?

Relieved, relieved to know that I had finally done something.

So you put into Google, a search how do I go bankrupt, and you got a number of hits back and you picked the one, you found the one that was the government site, you filled out the form then you say somebody phoned you back?

Yes.

How long did that take?

It was the next day, because I did it about 7 at night.

So that's pretty quick, so, and the person who called you back, what did they tell you?

They says "thank you for the interest, but" then they asked how much I was in debt for, because you didn't put that online. So I told them £25,000 debt and he says, "I see from your records that you have actually been bankrupt before [Mr Name]" and I went "Yes I was, that was back in '04, that was" because I had got into bad debt then. Then he says "This time, I don't really think you should do it again, because it's going to blacklist you for too long" so he says, "My advice is to do an IVA, which we also do" so he then passed me on to another gentleman, who sorted out the IVA side.

Right. Do you know the name of the organization that is doing the IVA now?

I do, yes [gets up to find paperwork]

Spouse He means business...

[reads IVA firm]

Yes.

Ok, super, marvellous, thank you, thank you very much, ok and so, the second gentleman you spoke to was from that company?

Yes he was.

Right, ok and did they talk about, what did you talk about, what information did he give you, can you remember?

I can, yes. He gave me information on debt management, what this was, what you call it and what it was going to involve and he says "when you take out the IVA, if during the time of the IVA you won the lottery..."

Spouse I wish but we don't even do it!

"...then you must inform us because we're entitled to that money for all your debts." And if you get any inheritance from anyone, someone dies, then that has to go to them and this that and the other. He explained everything wonderful, before I even did it.

So, does the name Insolvency Service ring any bells at all?

Yes, I've heard of it.

Spouse I've heard of it.

Ok, do you remember that being the first website that you went to, or...?

It could have been that, yes. It could have been that.

Ok, ok, so, the government website, the guy called you back and said bankruptcy is not for you, the other solution would be an IVA, were there any other type of solutions talked through?

No he just offered that one.

Ok but, I think at some point you went and spoke to [advice centre], is that true?

No.

Spouse You did at first didn't you?

No I've never.

Spouse Oh, you had that thing in the library.

So, it's just the government website and then, yeah ok ok, cool.

I did speak to [rights agency] first. Because for a few months, [rights agency] got all our payments dropped so that they were lower, but it was time for the payments to go back to their full price, which is why then I decided to try for the bankruptcy.

When you say [rights agency], where are they from? Are they local, regional?

They are all over, everywhere.

Spouse We actually went to the library and had a meeting with one of the [rights agency] people, didn't we?

Yes, yes.

Is that covered by the council?

Both Yes.

Cool, ok, and the [rights agency] when you spoke to them, you said they dropped your payments down?

Yes they had a look at and all the debts, we'd got and they got payments lowered for just a few months, just to help us get a bit straighter. But then when it was time for them to go back up, we knew that we wasn't going to cope, so then we thought, it's time now to sort something out ourselves.

But they didn't tell you about different solutions like bankruptcy or IVA, or...?

Both No

They just set up low payments - so did you make those payments or did you pay [rights agency] to pay the creditors?

We paid them direct.

MID4

The referral of some participants to other debt professionals requires consideration in relation to the Debt Management Guidance, which is quite clear that the commercial interests of a business should never be prioritised to the detriment of the consumer. From the original lending, post bankruptcy, to the perception of a government bankruptcy application form, which led to an IVA, it seems inevitable that the couple above were secondary to business interests on more than one occasion. The Debt Management Guidance summarises the principles of fair business practice as follows.

- transparency
- fairness
- redress
- responsibility for third parties

It is important to recognise that commercial interests can subjugate consumer interests even when the desire to support consumers exists. When a mainstream lender is understood to insist that a specific free advice agency negotiates repayments despite another already working with a client, does that not set a precedent for others to flout Paragraph 3.49e?

operating a policy of only entering into negotiations about, and/or agreeing to freeze, interest and charges, if the consumer has engaged the services of a specific 'representative' with whom the creditor has an arrangement

How much easier does it become for another lender to emulate perceived benevolence by referring a client (MID5) to a fee charging debt management firm? It was not simply creditors, whose responsibility for third parties was unclear. For all the care taken by an advice agency visiting a young mother in hospital, it seemed that her adviser did not notify her of the existence of IVA fees.

...it was only really [IVA provider] that was mentioned, so, I don't think it was a particular fault on their part. It was just they found someone who would be ideal for me to work alongside, to work with to help me so, I don't think it was really discussed.

... And the fees that would apply, it was only really the bankruptcy one that was discussed, so I don't really know if there's fees for anything else, like now, I still don't know, ha ha ha.

... I think they take fees out of what I pay back don't they, or something? So, I don't have to give a direct payment myself, so it's included with what the other companies agree to allow, so I don't notice it a certain extent.

Ok so who explained that to you?

The lady did, but, the one thing I did...

Sorry, the lady?

At [IVA provider]. But the one thing I did find was that the paperwork was very confusing, very, very, very confusing, I've had to make several phone calls to sort of go through each stage.

A lot of people have said that about IVAs, that it's..

Yeah, it's very very, I mean even that bit of paperwork now that I find that quite difficult.

So what did [advice centre] say about the IVA, did they explain that to you that it was a company, did they...?

Well, I thought because I knew somebody who'd gone through [FREE TELEPHONE ADVICE], I thought it will be like a charity thing again and like that. When I told this person I was actually, I am actually going through [IVA provider] you know it was really posh sort of, is it a solicitors?

Y&H1

Similarly, the spinster who had found her adviser and creditors unable to communicate was under the impression that her adviser had recommended she phone a debt management company. She may well have been confused and fortunately, the firm was very clear that they charged fees. Not all are quite so "up-front".

[advice centre], they told me to ring this place up and I rung it up, but with him getting back to me, I just had to leave it. I said to them "I'm sorry, [advice centre] got back to me and I'll see how it goes on" but obviously, if they don't get anywhere I'm going back to that lady.

Do you remember who that was?

No not really.

Was it, where did you find out about it?

From [advice centre].

Right, so they told you to phone a number?

Yeah yeah.

Do you know whether it was a company or a charity

They were a company I think, a company.

... Well, that's why I went to [advice centre], cause I know it were free, you see, and I didn't want to pay anymore extra, than what the situation I'm in now. And that wouldn't have been free what I rung up, what phoned me you see, where I phoned up, they weren't free.

It wasn't?

No no, not that lady.

Did the [advice centre] tell you that, that they weren't free?

No she, I asked her, she said "No duck, no, we're not free, we charge."

Oh right, and [advice centre] gave you the name to call that?

Yes, yes.

And you called them?

Yeah yeah, no they didn't call me, I called them.

MID3

Debt professionals are in a unique position of trust to determine what is fair between creditors and debtors. As this study reveals, some debtors may be in such a vulnerable position that they are unable to discern clear and fair assistance from a creditor of whom they are scared. It could be entirely appropriate for an adviser to tell a debtor to cease repayments, but paragraph 3.27 of the Guidance is explicit that advisers should "clearly warn consumers of the risks and consequences of this course of action". The potential to misplace the emphasis of such a warning cannot be ignored, nor can its impact on popular belief. The potential to abuse a position of trust is considerable and its practice difficult to detect.

They told me to ignore all the phone calls, cause they were the worse, and they told me to ignore the letters and they also told me not to pay them another penny and I didn't. I did all that, I did do all that, yeah, yes.

MID5

The point at which advice to withhold repayments becomes incitement to default is similarly difficult to ascertain and the motive of the adviser may be as ideological as it is financial.

No, because he did advise me, and he says "[name] I can't tell you what to do", he says "but", he says "what about bankruptcy?" and that's all he said.

MID2

With only one of nine participants not reporting practices that may be contrary to regulatory guidelines, the ethical dilemmas presented by this research were significant. One of the underlying principles of the Respect Code is the "Avoidance of social and personal harm". Without informed consent from participants for referral of their experiences to the regulator, it is impossible to ascertain specific incidents of consumer detriment. Irrespective of this, it is apparent that the outcomes of many experiences reported here are not sustainable.

At this point, it is important to remember the source for selecting research participants and the considerable difficulty encountered in keeping appointments. Five interviews were cancelled. In addition to this, almost half of the contacts attempted appeared to screen calls with answering services. It is impossible to tell whether this was to prevent unwelcome contact from creditors or debt advisers, but this would seem to challenge the appropriateness of any party handling people in financial difficulty as leads.

8. CONCLUSIONS & RECOMMENDATIONS

MID1	MID2	MID3	MID4	MID5	MID6	Y&H1	Y&H2	Y&H3
DRO	Bankruptcy	Repayments	IVA	DRO	DMP	IVA	Repayments	Token

There is little doubt that the participants in this study valued the support of the free advice agencies they had used. Not one foresaw circumstances in which they personally should pay for initial advice and many felt that insolvency procedures should be without cost to particularly vulnerable people also. A minority felt that people in better circumstances than their own could pay for debt repayment services. This sentiment was stronger among DRF members' clients.

Generally, the profile of participants was different to that of DRF members' clients interviewed in person in March and May 2012. Incomes were generally lower, insolvencies, social tenure and experiences of disability or difficulties related to mental health, capacity and bereavement tended to be more common. There was a marked potential for vulnerability to escalate. This is a real concern in relation to reported waiting times at some advice agencies.

That participants identified vulnerable people as experiencing similar circumstances as those often discussed by credit and debt professionals demonstrates their capacity for informed decision-making. However, some of the experiences reported by participants have the potential to restrict such choice, channelling people into decisions driven by fear and a lack of alternatives. The extent of self-exclusion from this research, through screening telephone calls and cancelling interview appointments tends to support this view.

Specifically, creditors and advice agencies that do not recognise vulnerability adequately may be forging the conditions in which unfair business practices can thrive, embedding a culture of "us and them". Participants' reliance on informal networks, such as the recommendations of friends and family has the potential for popular beliefs to become entrenched. This may serve the promotion of earlier intervention well, but bodes ill for self-help that is misinformed or motivated by scandals in the financial services sector.

A professional's instruction to cease repayments and ignore creditors' communications may seem a compelling diagnostic for debtors to share, especially when the warnings of such conduct are omitted. However, creditors must take responsibility for those in their profession who flout the regulatory guidance and ignore advice agencies' case numbers, whoever is citing them. Even in the digital arena, word of mouth is a powerful tool and bad news spreads faster than good.

Almost all participants cited at least one experience that could have been non-compliance with regulatory guidance in the consumer credit sector and although a qualitative sample, this contrasts significantly with interviews conducted with DRF members' clients in March and May 2012. It is worth recalling that the May series focused on clients who had sought free advice in the first instance. This does not mean that DRF members' clients are better protected from unfair business practice because the demography of participants in this research was different to those who took part in May.

To conclude, it is apparent that among debtors who choose a free advice agency to provide or signpost them to debt relief, there is considerable support and gratitude for these services. However, this study demonstrates some of the misconceptions and potential for deliberate misinformation that is placing undue stress on vulnerable people and increasing the workload of the free advice sector. Taken in conjunction with the May 2012 interviews, it is apparent that there are some debtors who are turning to fee charging help, not as a service of choice, but as a means of escape. This is not sustainable and there is a real need for free and fee-charging agencies to liaise to address this.

To avoid the potential for consumer detriment exposed in this study, there is a compelling rationale for engaging debtors more fully in the development of consumer credit regulation. Far from discounting a participatory approach as debtor centric rhetoric, policy makers and regulators would be wise to consider the prevalence of personal borrowing and the rise in public opinion, which resents the influence of financial services in the current economic climate.



Appendix 1 – Discussion Guide

PARTICIPANT TO COMPLETE HOUSEHOLD PROFILE PRO-FORMA

Thinking about your earliest difficulties, are there any warning signals for people to start tackling money problems?

What makes you say that? Is there anything that discourages people from looking at money advice? Are there any particular triggers that prompt people to look at help? What would you recommend to encourage people to look at help?

When did you first decide to seek help?

Where did you first seek help at that time? When did you find out about this help? How did you find out about it? How did you get information from it? What sorts of information did you find? How did that make you feel at the time? And how have you used that information? How do you feel since using this help?

Would you be able to rate these statements describing your first contact with the money advice agency above? (out of 10)

I felt confident that they understood my circumstances
 they explained the solutions that they could offer clearly
 the possible risks of each solution were explained calmly
 I learned about some other places to find help
 I understood which, if any, fees applied to each solution
 they explained priority and non-priority debts clearly
 I felt involved in choosing the best solution
 I felt they had my best interests at heart

And which, if any, of the following did you experience before making your most recent offer to creditors?

the same or increased interest, penalties and charges	money withdrawn from another account
token payments not accepted	notices of legal action
confusing communications	calls or visits at unreasonable times

Overall, would you say that creditors treated you better, worse or about the same as other customers at this time? And thinking about all of your credit accounts, how would you describe your situation now?

And since using [THE MAIN AGENCY], would you say that you are better, worse or about the same at: managing your money; planning ahead; choosing suitable financial products, and finding financial advice and information?

If I asked you to give me a hit list for people thinking about using money advice, where would you start? Anywhere else? KEEP PROMPTING FOR ALL (MINIMUM OF 2) THEN ASK FOR ALL SOURCES Is there any money advice you have used that you would not recommend? Why is that? PROBE FOR BOTH ABOVE: When did you find out about this help? etc. as previously

Some people believe the word “free” undermines the value of money advice – what do you think about this?

Can you think of any money advice that’s free that you have not mentioned already? Have you ever used it? Why is that, do you think? Which if any aspects of the advice do you think should be free? Who do you think should be most entitled to free money advice? And finally, how could professionals improve money advice?



Appendix 2 – Participant Profiles

MID1

Household members						Solution	
Age	39	41	20	6	4	Current debt solution	DRO
Gender	F	M	M	M	M	Length to date	6 months
Ethnicity	British					Estimated duration	6 years
Disability	N	N	N	N	N	Total value of debts at start	£5,200
Economic activity	not working			n/a	n/a	Total value of debts now	n/a
Qualifications	GCSE	GCSE	A levels	n/a	n/a	Monthly repayment amount at start	n/a
Income	prefer not to say					Monthly repayment amount now	n/a
Benefits	JSA	JSA	JSA	CB	CB	Previous advice provider	FREE
Tenure	prefer not to say					Current advice provider	NONE

MID2

Household members		Solution	
Age	56	Current debt solution	bankruptcy
Gender	F	Length to date	discharged
Ethnicity	UK White	Estimated duration	discharged
Disability	Y	Total value of debts at start	prefer not to say
Economic activity	not working	Total value of debts now	prefer not to say
Qualifications	prefer not to say	Monthly repayment amount at start	n/a
Income	prefer not to say	Monthly repayment amount now	n/a
Benefits	prefer not to say	Previous advice provider	FREE
Tenure	Social tenant	Current advice provider	NONE

MID3

Household members		Solution	
Age	67	Current debt solution	self-managed repayment
Gender	F	Length to date	>1 year
Ethnicity	White	Estimated duration	don't know
Disability	Y	Total value of debts at start	don't know
Economic activity	Retired	Total value of debts now	don't know
Qualifications	prefer not to say	Monthly repayment amount at start	don't know
Income	£209 a week + £309 a month	Monthly repayment amount now	don't know
Benefits	DLA + pension credit	Previous advice provider	FREE
Tenure	Social tenant	Current advice provider	FREE

MID4

Household members			Solution	
Age	43	45	Current debt solution	IVA
Gender	M	F	Length to date	6 months
Ethnicity	British White		Estimated duration	5 years
Disability	N	Y	Total value of debts at start	£25,000
Economic activity	carer	not-working	Total value of debts now	don't know
Qualifications	none	None	Monthly repayment amount at start	£287
Income	£58 a week + £272 a fortnight + £383 a month		Monthly repayment amount now	£287
Benefits	Carer's Allowance	DLA, Incapacity & income support	Previous advice provider	FREE
Tenure	Social tenant		Current advice provider	FEE

MID5

Household members					Solution	
Age	60-74	25-39	40-59	40-59	Current debt solution	DRO
Gender	F	M	M	M	Length to date	1 year
Ethnicity	White British				Estimated duration	1 year
Disability	Y	N	Y	Y	Total value of debts at start	don't know
Economic activity	retired	not working			Total value of debts now	n/a
Qualifications	prefer not to say				Monthly repayment amount at start	n/a
Income	don't know				Monthly repayment amount now	n/a
Benefits	Income support, DLA, state pension				Previous advice provider	FREE
Tenure	social tenant				Current advice provider	NONE

MID6

Household members		Solution	
Age	preferred not to complete	Current debt solution	preferred not to complete
Gender		Length to date	
Ethnicity		Estimated duration	
Disability		Total value of debts at start	
Economic activity		Total value of debts now	
Qualifications		Monthly repayment amount at start	
Income		Monthly repayment amount now	
Benefits			
Tenure			

Y&H1

Household members					Solution	
Age	60	32	30	8 months	Current debt solution	IVA
Gender	M	M	F	M	Length to date	10 months
Ethnicity	White British				Estimated duration	5 years
Disability	N	N	N	N	Total value of debts at start	£17,000
Economic activity	retired	FT employed	PT employed	n/a	Total value of debts now	don't know
Qualifications	don't know	A levels	Diploma	n/a	Monthly repayment amount at start	£310
Income	don't know				Monthly repayment amount now	£310
Benefits	Tax credits + Child benefit				Previous advice provider	FREE
Tenure	prefer not to say				Current advice provider	FEE

Y&H2

Household members				Solution	
Age	59	58		Current debt solution	2 X self-managed repayments
Gender	M	F		Length to date	12 months
Ethnicity	White British			Estimated duration	forever
Disability	Y	N		Total value of debts at start	£18,000
Economic activity	not working			Total value of debts now	don't know
Qualifications	School certificate			Monthly repayment amount at start	£15
Income	£205 a week			Monthly repayment amount now	£15
Benefits	DLA, income support, incapacity benefit			Previous advice provider	FREE
Tenure	Homeowner with mortgage			Current advice provider	FREE

Y&H3

Household members				Solution	
Age	40	18	9	Current debt solution	self-managed repayment
Gender	F	F	F	Length to date	3 years
Ethnicity	Black British			Estimated duration	10 years
Disability	N	Y	N	Total value of debts at start	prefer not to say
Economic activity	PT employed	FT Student	n/a	Total value of debts now	prefer not to say
Qualifications	none	Level 3	n/a	Monthly repayment amount at start	£29
Income	£120 a fortnight	n/a	n/a	Monthly repayment amount now	prefer not to say
Benefits	Child benefit			Previous advice provider	FREE
Tenure	Social tenant			Current advice provider	NONE



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