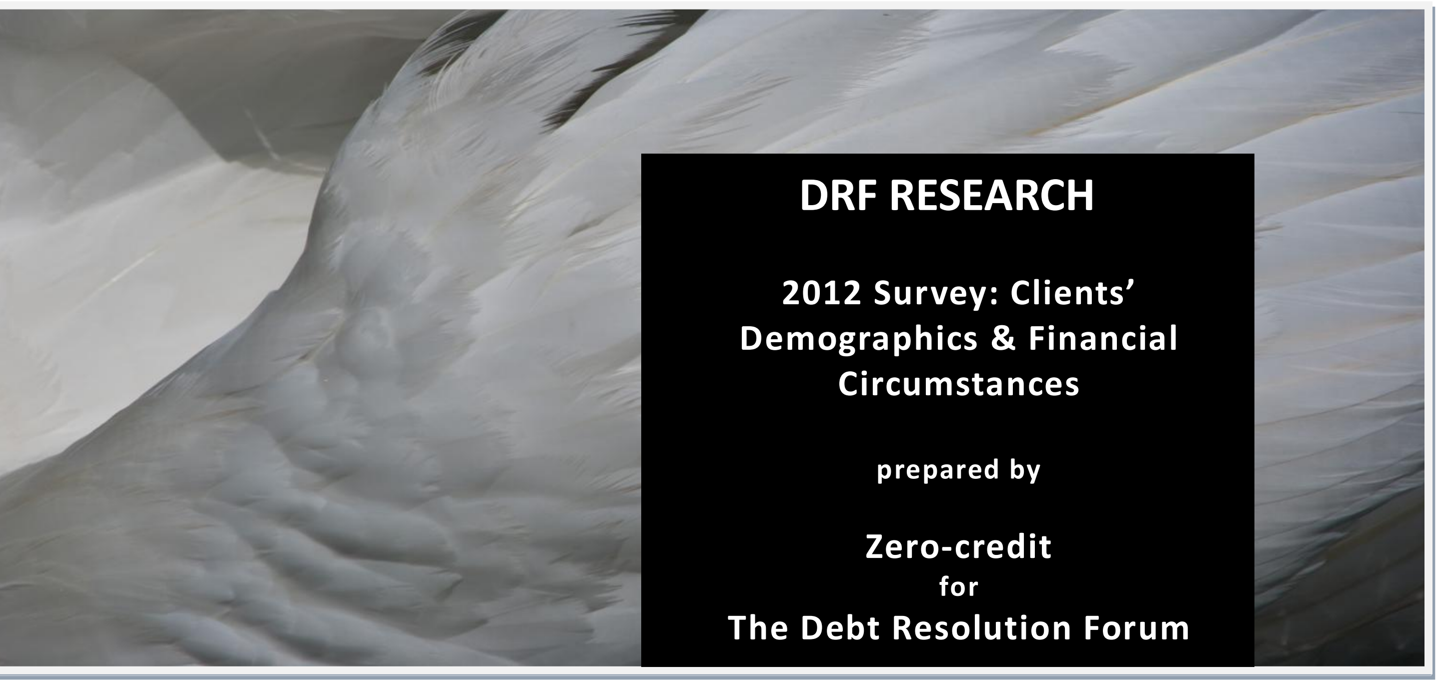
THE DEBT RESOLUTION FORUM
Promoting Professional Standards



DRF RESEARCH

2012 Survey: Clients' Demographics & Financial Circumstances

prepared by

Zero-credit
for
The Debt Resolution Forum

CONTENTS

1. ABOUT THIS REPORT

In December 2011, the Debt Resolution Forum commissioned Zero-credit to complete three parallel research studies to explore the outcomes of fee charging debt solutions. These were an analysis of market size, a survey of members' clients and a series of case studies with members' clients. This report focuses on the demographic and financial circumstances of respondents, resulting from the 2012 survey of DRF Members' clients, and was compiled 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
- 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

A total of 601 telephone interviews were conducted with DRF Members' clients throughout February and March 2012. Average interview length was 15 minutes, although some lasted significantly longer than this. Interviewers were briefed to speak to the named contact only, respecting the potential vulnerability of clients and the sensitivity of information shared. Respondents had the opportunity to decline a response at all times. To achieve 601 interviews, 833 clients were contacted: of these 222 declined to take part and 10 completed the interview in part only. The latter are not included in the dataset analysed for this report.

Research of this kind was new to many DRF Members, so there was some reluctance to transfer client contact details to create a sample frame, particularly where informed consent for third party contact was unclear. Most companies overcame these issues and ultimately, three quarters of DRF Members took part. Originally, we had proposed a stratified random sample to achieve a representative dataset with 95% accuracy at +/- 4%. However, with a significant minority of firms unable to transfer data without considerable disruption, a quota sample was agreed. Where appropriate, this report compares the achieved sample with data collated from the Market Size research and we found this to be broadly in line with the target confidence level.

In order to ensure a representative sample, companies, and in some instances trading styles, were banded by size, according to the number of clients stated as active at the start of 2012. Upper and lower quotas were set for each band, so that where sample was not available, the shortfall could be made up by interviewing across a client base for the same band. Throughout the fieldwork period, companies submitted a random 10% sample of clients, from which we selected respondents at random as follows:

Band 1	Band 2	Band 3
Less than 1000 clients	1000 to 3000 clients	More than 3000 clients
4-5 interviews each	19-23 interviews each	57-72 interviews each
44 completed in total	84 completed in total	473 completed in total

In anticipation of ever-increasing transparency, the questionnaire drew heavily on the consultation version of the Debt Management Guidance released by the OFT in 2011. From this, we established a number of key performance indicators for pre and post contract service attributes, together with a range of demographic and financial information. The questionnaire is available in the Appendix to this report, which focuses on the demographic profile and financial circumstances of respondents.

3. EXECUTIVE SUMMARY

68% of respondents to this survey were over 40, compared to a CEBR prediction that 48% of StepChange clients would be over 45 by the end of 2014. Conversely, DRF members seemed to be experiencing an increase in demand from those in the 25-39 age range, reflecting some aspects of the "squeezed middle".

Gender trends were difficult to ascertain because indistinguishable individual and household debtors can hide the identity of decision makers. There is some evidence of an increase in the number of women seeking debt help, and that indebted women may behave and experience indebtedness differently to men.

8.5% of respondents were of minority ethnic origin and this proportion appears to be growing. There were consistent indications that the experiences of these clients did not match those of White British respondents, so further research is essential to understanding the reasons for this.

More than 46% of respondents were homeowners, again, significantly higher than in the free to client sector. Those with mortgages were more likely to report increased interest, penalties and charges before entering a solution, which is relevant to the recent changes to Charging Orders. Social tenants seemed to be easily satisfied with providers, despite apparently limited reference to other sources of advice.

Relationship status was another key difference between DRF members and not-for-profit clients: couples accounted for more than two-thirds of this sample. Couples were also more likely to be homeowners and to experience sanctions, so it was pertinent that shopping around for help was similar between couples and singles.

44.1% of respondents had dependent children, a proportion that was almost identical to that reported by free advice clients. However, these respondents were often homeowners too, reporting higher incidence of increased interest, penalties and charges. They were more likely to seek a range of advice before entering a solution, indicating that parental responsibility may be a driver for informed decision-making.

Almost two-fifths of respondents were located in the South, which could be due to a higher prevalence of indebtedness in this region. However, without comprehensive mapping of indebtedness against local deprivation indicators, pockets of vulnerability and disadvantage may not be clear.

Overall, the reported number of creditors had decreased by 0.94 since entering a solution with a DRF member and the average solution length was 2.75 years. From respondents who gave a finite figure, the current average income included in a debt solution was £17,292, around £700 higher than reported as the average for StepChange clients in their last yearbook.

Respondents were less inclined to share current financial circumstances than those on entering a solution and this reflected the case studies reported in June 2012, which showed the psychology of debt to have a bearing on engagement and motivation. The average current mortgage balance was £116,293 and debt level on entering a solution £25,056.

Specific financial circumstances and the subsequent calculation of income to debt ratios require comparison with DRF members' records. This recommendation applies to the debt sector as a whole because only 8.3% of respondents shared explicit income and debt levels at solution start and at the time of the interview. Such reluctance is not supportive of maintaining informed choice throughout a solution and until all providers explore the phenomenon, it remains unclear whether it applies to DRF members only.

4. AGE

a. Overview

As initially reported in our Market Analysis, the demography of clients who pay for solutions differs from that of the free to client sector, in that it tends to be older. There was a minor tendency for younger respondents (aged 18-24) to decline an interview, resulting in some 68% of respondents to this survey being over 40, compared to market estimates of some 66% of fee charging DMP clients and 60% of IVA clients in total. It is worth comparing this with the Centre for Economic and Business Research prediction that 48 percent of people approaching StepChange would be over 45 at the end of 2014.

Overall, 533 respondents were kind enough to give an exact age and the average age calculated from responses to this survey was 45.93 years. It is worth noting the relationship between age and financial capability reported by the FSA in March 2006, from research conducted by the Personal Finance Research Centre in Bristol, *Levels of Financial Capability in the UK: Results of a baseline Survey*:

Figure 5.1 Relationship between factor scores and age

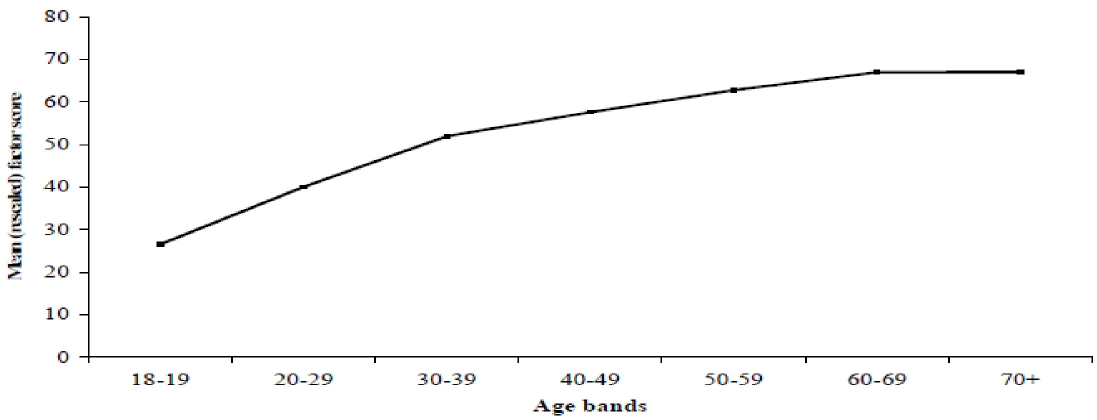


Figure 5.1 illustrates graphically how the factor scores increase with age. It shows that the difference in average scores is most pronounced between the ages of 18 and 40 (where the line is steepest). Scores continue to increase until age 60, and remain high thereafter. It should be remembered that this does not necessarily mean that individuals will become more capable with age; rather it describes the average levels of capability amongst people of different ages at a moment in time. It may well be that the young people of today will be very different in their old age from the current older generations.

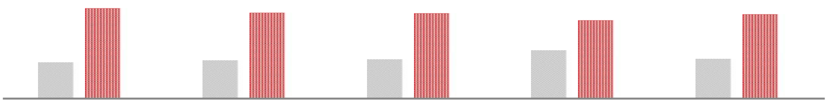
As might be expected, older respondents were more likely to be homeowners and increasingly likely to be homeowners without a mortgage, when aged over 60 also. There was a prevalence of private tenancies amongst respondents aged between 18 and 39 and social tenancies held by around one in five respondents. The larger proportion of 18-24 year olds recording a social tenancy for this survey may not be indicative of the wider population of debtors in this age group, as the subset was extremely small at only 7 out of 601 respondents.

4.1: average age by tenure

home owner without a mortgage	61.41
home owner with a mortgage	47.67
tenant: council / housing association / social landlord	46.23
tenant: private landlord	40.68
living with family / friends	39.75

Last year's Statistical Yearbook from StepChange stated that couples accounted for 48% of the charity's client base in 2011. By comparison, around two thirds of DRF members' clients responding to this survey stated that they were in a relationship. This dipped slightly in the over 60 age range and further research with younger debtors is required to understand better the informal support networks for this age group.

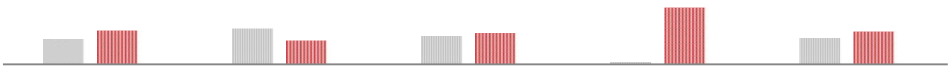
4.2 relationship status



	18-24 (7)	25-39 (184)	40-59 (311)	> 60 (95)	All (601)
single	28.6%	29.9%	30.9%	37.9%	31.4%
in a relationship	71.4%	67.9%	67.5%	62.1%	66.6%

Given the older profile of debtors using fee-charging providers, it was significant that the proportion of respondents with children was almost identical to the reported client base of the free to client sector. From the comparison between the age ranges of clients with dependent children below, it seems clear that DRF members tend to attract families with older children, and subject to further research amongst 18-24 year olds, that DRF members' clients seem more likely to be older parents also.

4.3 dependent children

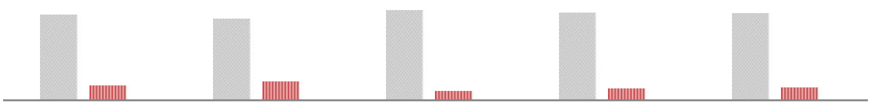


	18-24 (7)	25-39 (184)	40-59 (311)	> 60 (95)	All (601)
yes	42.9%	60.3%	47.3%	3.2%	44.1%
no	57.1%	39.7%	52.7%	96.8%	55.4%

b. Using a Paid Solution

The proportion of respondents reporting a completed solution varied by age, with younger respondents (especially those in the 25-39 age range) more likely to reply that their solution had ended. Responses to this survey also suggest that there has been an increase in younger clients accessing paid solutions in recent years.

4.4 solution still provided

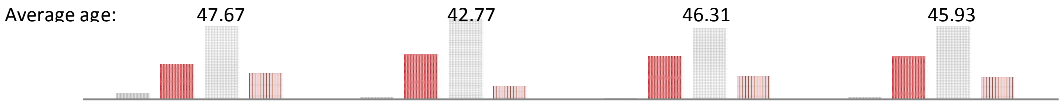


	18-24 (7)	25-39 (184)	40-59 (311)	> 60 (95)	All (601)
yes	85.7%	81.5%	90.0%	87.4%	86.9%
no - ended	14.3%	18.5%	9.0%	11.6%	12.5%

c. Provider Band

The calculation of average age masks the distribution of age ranges, which was more diverse among the smaller firms in Bands 1 and 2 than in Band 3. A larger sample of younger debtors, and clients of smaller providers, is required to gauge the demography of debtors accessing paid solutions locally and regionally.

4.5 band



	Band 1 44	Band 2 84	Band 3 473	All 601
18-24	4.5%	1.2%	0.8%	1.2%
25-39	25.0%	32.1%	30.9%	30.6%
40-59	52.3%	57.1%	51.0%	51.9%
over 60	18.2%	9.5%	16.7%	15.8%

d. 1st Help Sought

Just as the Centre for Economic and Business Research predicted an aging client profile for StepChange, there is clear evidence that the age profile of DRF members' clients is changing also. However, the trend for these firms differs in that the average age of advice seekers, who subsequently enter a paid solution, is falling.

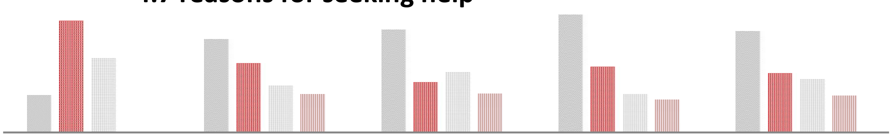
4.6: average age by when help was first sought

within the last year	43.36
one but less than two years ago	46.22
two but less than five years ago	46.23
more than five years ago	46.97

e. 1st Help Reasons

A change in circumstances was most often cited by those in the over 60 age range as the main reason for seeking help. However, just over a quarter of this group gave increased outgoings as their reason for first seeking help. Younger respondents seemed more affected by increased outgoings than older respondents did and a drop in income often affected those in the 40-59 age range.

4.7 reasons for seeking help



	18-24 (7)	25-39 (184)	40-59 (311)	> 60 (95)	All (601)
a change in cicumstances	14.3%	35.9%	39.5%	45.3%	38.9%
increased outgoings	42.9%	26.6%	19.3%	25.3%	22.8%
a drop income	28.6%	17.9%	23.2%	14.7%	20.5%
overspending	0.0%	14.7%	14.8%	12.6%	14.1%

f. 1st Help Sources

More than two-fifths of respondents stated that they had sought help from another agency before entering a debt solution with a DRF Member, and approaching one in five had sought help from a not-for-profit agency, such as a charity, government or council, or the Money Advice Service. In a report commissioned by the Money Advice Service, *User Needs from Debt Advice: Individual and Stakeholder Views*, published in February 2012, IFF Research reported from a sample of 2707 respondents:

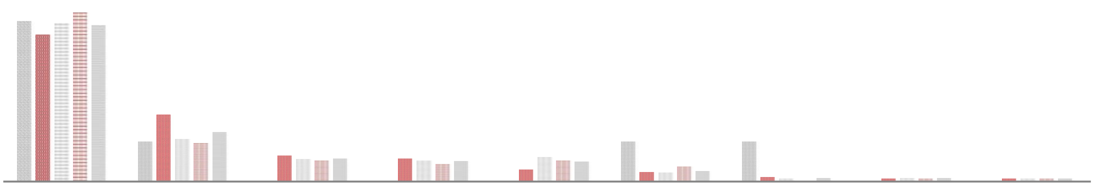
> *Of those who engaged with debt advice in the last three years, about two thirds (70%) report approaching just one service.*

Active advice seeking was therefore higher among the DRF members' clients interviewed for this survey. Similar differences emerge when comparing research commissioned by the Money Advice Trust, *Debt Advice Channel Strategy Research*, also published in February 2012, in which Policis reported from a sample of 504 Payplan and National Debtline clients that:

> *The internet is now the most important source of information and signposting to debt advice services, a little ahead of recommendations from family and friends. Three in ten clients sourced the debt agency they ultimately used via the internet, with 27% doing so via recommendation from family and friends.*

Respondents in the over 60 age range were the least likely to have sought other help before entering a debt solution. However, those trusting in their first port of call were still fewer than reported as prevalent in the wider population of over-indebted consumers (60% of respondents in the over 60 age range). Respondents aged 25-39 were most likely to seek other help before approaching a DRF member.

4.8 first sources of help

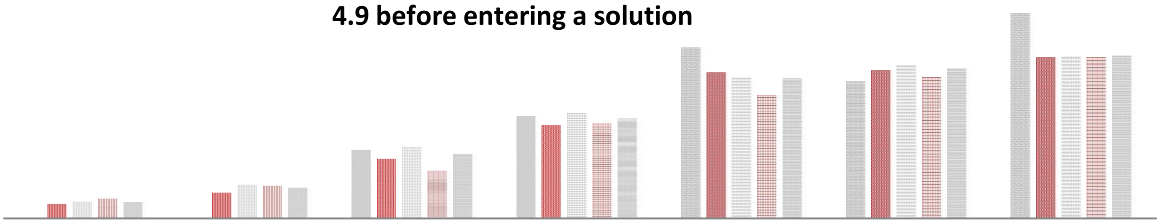


	none of these / did not seek other help	bank / creditors	Money Advice Service	other debt company	charity	government /council	friends / family	accountant / solicitor / IFA	internet search
18-24 (7)	57.1%	14.3%	0.0%	0.0%	0.0%	14.3%	14.3%	0.0%	0.0%
25-39 (184)	52.2%	23.9%	9.2%	8.2%	4.3%	3.3%	1.6%	1.1%	1.1%
40-59 (311)	56.4%	15.1%	8.0%	7.4%	8.7%	3.2%	1.0%	1.3%	1.0%
over 60 (95)	60.0%	13.7%	7.4%	6.3%	7.4%	5.3%	0.0%	1.1%	1.1%
All (601)	55.6%	17.6%	8.2%	7.3%	7.2%	3.7%	1.2%	1.2%	1.0%

g. Debtors' Experience of Creditors

With the exception of having money withdrawn from another account, respondents aged 60 and over seemed less likely to experience credit account sanctions than other age groups.

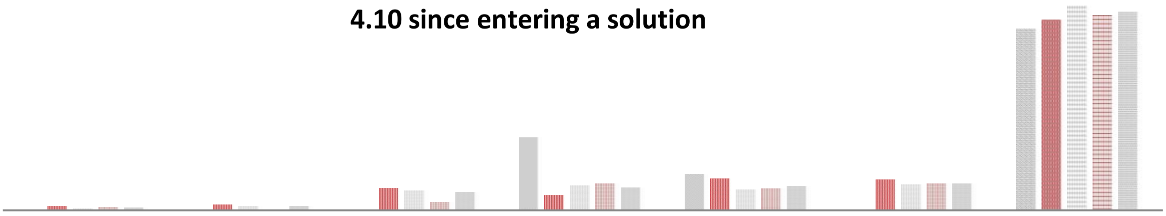
4.9 before entering a solution



	money withdrawn from another account	none of these	token payments not accepted	confusing communications	same or increased interest, penalties & charges	notices of legal action	calls / visits at unreasonable times
18-24 (7)	0.0%	0.0%	28.6%	42.9%	71.4%	57.1%	85.7%
25-39 (184)	6.0%	10.9%	25.0%	39.1%	60.9%	62.0%	67.4%
40-59 (311)	7.1%	14.1%	29.9%	44.1%	58.8%	64.0%	67.5%
> 60 (95)	8.4%	13.7%	20.0%	40.0%	51.6%	58.9%	67.4%
All (601)	6.8%	12.8%	27.0%	41.8%	58.6%	62.6%	67.9%

Most likely to perceive benefit from the intervention of a debt solution provider were respondents in the 40-59 age range.

4.10 since entering a solution



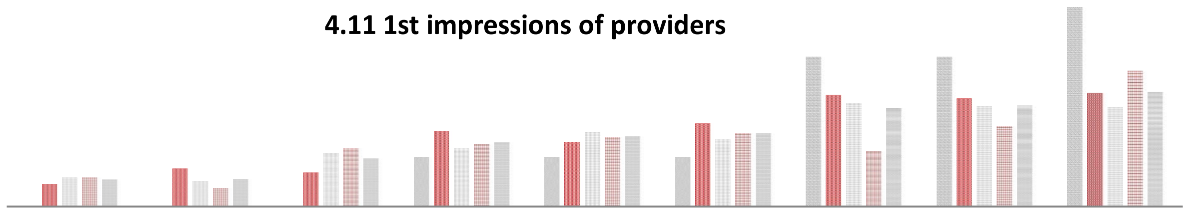
	money withdrawn from another account	token payments not accepted	same or increased interest, penalties & charges	confusing communications	calls / visits at unreasonable times	notices of legal action	none of these
18-24 (7)	0.0%	0.0%	0.0%	28.6%	14.3%	0.0%	71.4%
25-39 (184)	1.6%	2.2%	8.7%	6.0%	12.5%	12.0%	75.0%
40-59 (311)	0.6%	1.6%	7.7%	9.6%	8.0%	10.0%	80.4%
> 60 (95)	1.1%	0.0%	3.2%	10.5%	8.4%	10.5%	76.8%
All (601)	1.0%	1.5%	7.2%	8.8%	9.5%	10.5%	78.2%

h. 1st Impressions from Initial Contacts with DRF Members

Just under a third of respondents to this survey stated that their solution provider had contacted them and a further 20% had had their provider recommended to them. The case studies have revealed a significant number of advice agency referrals to DRF members, particularly for potential IVA clients and debtors who feel overwhelmed by contact from their creditors.

Interestingly, respondents aged 25-39, which was the age range most likely to seek a range of help before entering a solution, were also more likely to notice attributes such as clear contact details, a Consumer Credit Licence number, examples of fees, and overviews of debt solutions. This is an important indicator that consumers who shop around for advice before entering a solution are less likely to be vulnerable to unethical sources of supply.

4.11 1st impressions of providers

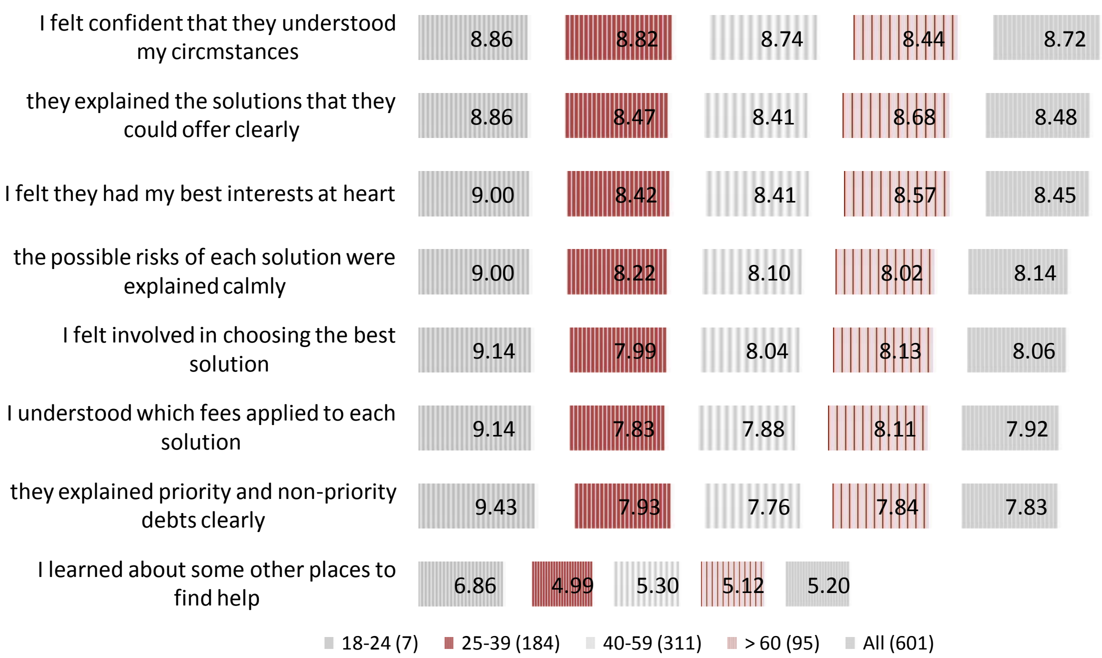


	DRF / professional standards	CCL number	adverts	fee examples	testimonials / referrals	overview of debt solutions	top of an internet search	clear contact details	they contacted me
18-24 (7)	0.0%	0.0%	0.0%	14.3%	14.3%	14.3%	42.9%	42.9%	57.1%
25-39 (184)	6.5%	10.9%	9.8%	21.7%	18.5%	23.9%	32.1%	31.0%	32.6%
40-59 (311)	8.4%	7.4%	15.4%	16.7%	21.5%	19.3%	29.6%	28.9%	28.6%
> 60 (95)	8.4%	5.3%	16.8%	17.9%	20.0%	21.1%	15.8%	23.2%	38.9%
All (601)	7.8%	8.0%	13.8%	18.6%	20.3%	21.1%	28.3%	29.0%	32.9%

i. Pre-contract

It was interesting to note the higher mean rating for "I felt confident that they understood my circumstances" from respondents aged 25-39 compared to other age ranges , given the recent increase in younger clients seeking a solution from DRF members and the greater tendency for respondents in this age range to shop around for advice before committing to a solution. To be certain that the lower incidence of learning about other places to find help recorded by 25-39 year olds relates to its prior use, DRF members would do well to record advice seeking actions at initial contact.

4.129 pre-contract ratings



j. The Proposal

Almost nine out of ten respondents stated that they received a written proposal before entering their debt solution. However, there was some variation between age ranges in the recalled content of written proposals, and older respondents were less likely to recall a number of important features compared to other groups and the sample as a whole. The DRF may well wish to consider approaches to highlighting these documents in the future.

4.13included in the proposal	Over 60 (82)	All (536)
warning: creditors' right to reject	75.6	81.9
estimated solution length	76.8	81.5
information - cooling off & how to terminate	70.7	6.8
information: priority debts / not included	61.0	6.7

k. The Solution

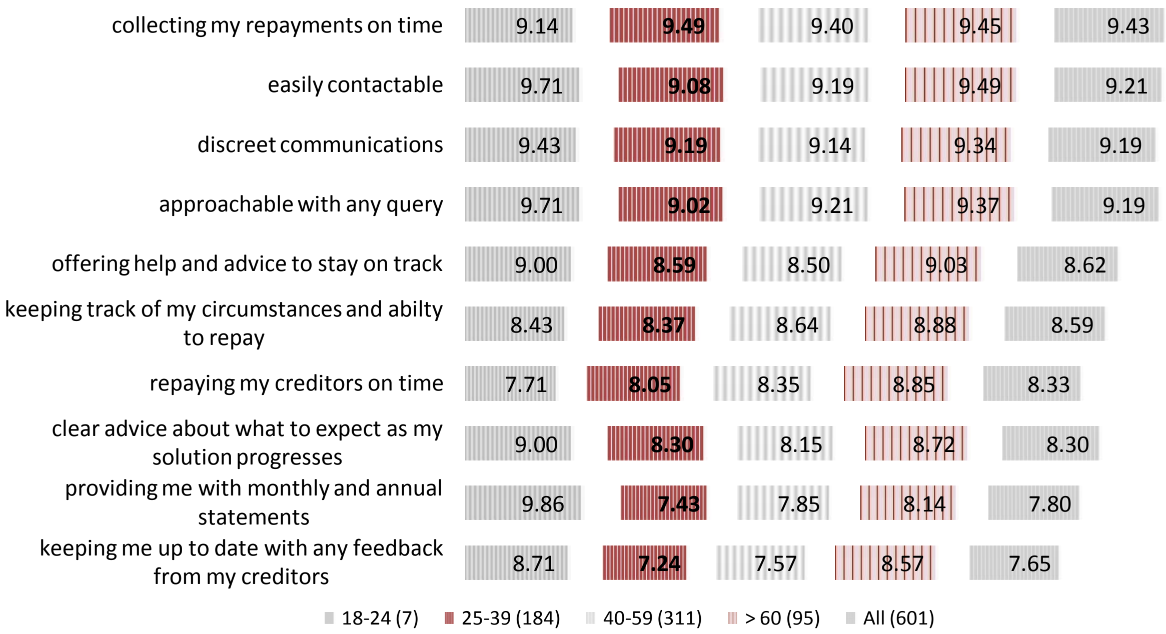
Respondents who were current IVA clients tended to be older than those who were DMP clients and those currently in another solution were all using the Debt Arrangement Scheme in Scotland. Interestingly, the average age of those who had recently completed a solution was significantly lower than those who were currently in one and these respondents tended to be private tenants with higher incomes and much lower debt levels of personal debt.

4.14 average age by current solution	
IVA	46.45
DMP	45.09
recently completed	43.10
other solution	52.12

l. Post-contract

For post-contract aspects of service, respondents in the over 60 age range tended to rate their providers higher than any other age group. The verbatim comments provided a wealth of qualitative evidence that several DRF Members go the extra mile for some of their older clients. However, whilst post-contract ratings were invariably very good and even higher than pre-contract ratings, efforts should be made to ensure that clients of all ages experience similar service levels.

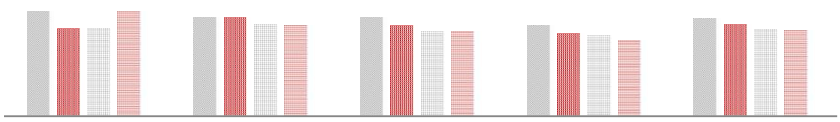
4.15 post-contract ratings



m. Financial Capability

For the most part, reports of improved financial capability since entering a debt solution decreased with age. Given the PFRC's observation in *Levels of Financial Capability in the UK: Results of a baseline Survey* that the factor indicators for financial capability increased with age, and the extent of satisfaction with DRF Members, it seems plausible that a significant proportion of their clients are making informed choices about which solution and which provider to use.

4.16 better financial capability



	18-24 (7)	25-39 (184)	40-59 (311)	> 60 (95)	All (601)
managing your money	85.70%	81.00%	80.70%	73.70%	79.7%
planning ahead	71.40%	81.00%	74.00%	67.40%	75.0%
finding financial advice and information	71.40%	75.00%	69.50%	66.30%	70.7%
choosing suitable financial products	85.70%	73.90%	69.50%	62.10%	69.9%

n. Conclusions

From the analysis of responses to this survey by age, it would seem that the most significant change to the client profile of DRF members is an increase in demand from those in the 25-39 age range. There is a growing tendency for these clients to be households, living in private rented accommodation, with dependent children, whose debt levels are particularly susceptible to increased outgoings. In short, DRF members are starting to see an influx of clients from the "squeezed middle".

Precisely because these clients are at the core of mainstream society, their expectations of debt advice and solutions may be high and their use of these services more of a short, sharp, shock than a solution to long-term structural deficit in the household budget. However, there are signs that the natural inclination to shop around is being curtailed by a sense of urgency, often driven by arrears and collection sanctions.

Intrinsically motivated to repay, this client group will recover more effectively through an empathetic approach that allows them to maintain their perception of self as outside the debtor population. Early intervention may be encouraged by both creditors' and solution providers' signposting of help sources promptly and impartially. Easy access to "family surgeries", in virtual or in real time, will help to personalise and strengthen repayment relationships.

Not to be overlooked is the smaller but equally important trend towards older clients seeking debt help. These clients are most often driven by a change in circumstances, such as a sudden accident, illness or loss of a loved-one, in many instances exasperated by increased outgoings. Debtors in the over 60 age range tend to be individuals who never expected to be caught out by a shortfall in their anticipated consumption smoothing. Their calculation of risk simply did not work out, and in terms of a generational culture, they remain intrinsically motivated to repay.

Creditors seem to give more leeway to older debtors. However, recent changes to policy and regulation could mean that older debtors are at risk of losing access to services that allow them to retain their autonomy for informed choice. The impact of confining debtors to mainstream and increasingly digital delivery channels is likely to achieve similar experiences of vulnerability to those at the margins of social and financial inclusion. As a recent Newsletter setting out the drawbacks of digital population sampling from Ipsos-MORI Scotland showed, online services can be particularly inaccessible to older consumers: http://www.ipsos-mori.com/Assets/Docs/Scotland/Approach%20Spring%202012/sri_scotland_newsletter_approach_spring2012_online_surveys.pdf.

The importance of elder autonomy should not be underestimated because there is significant health and social care research to suggest that a reduction in this capacity has a direct impact on the public purse in terms of welfare costs. In the current climate, it is unlikely that any government would accept this after transferring the costs of providing debt advice from the public purse to a creditor funded levy.

5. GENDER

a. Overview

Almost 46% of the respondents to this survey were women. However, firms often record couples' information with the male partner as head of the household. For this survey, our fieldwork team was briefed to speak to the named contact only, whereas individuals and households had far more flexibility in how they chose to respond to the case studies. On this basis, it is impossible to assert that men or women are more likely to enter a particular solution, or to have accessed it at a particular time, without recognising the need for further research into the accessibility and perceptions of debt solutions between genders.

b. Using a Paid Solution

The proportion of some 12.5% of respondents who had completed their debt solution was consistent by gender (male: 12.9% and female: 12%).

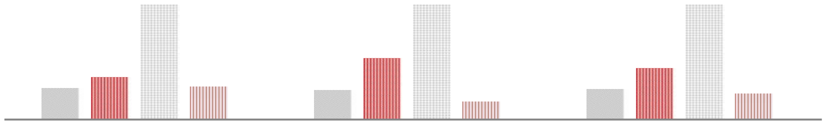
c. By Band

There was little variation in the uptake of solutions from providers of different size between the genders, although 8.0% of women were Band 1 clients, compared to 6.7% of men.

d. 1st Help Sought

There was some evidence that women had been more inclined to seek debt solutions in recent years.

5.1 when advice was first sought



	male (326)	female (175)	All (601)
within the last year	14.1%	13.1%	13.6%
one but less than two years ago	19.0%	27.3%	22.8%
two but less than five years ago	50.9%	50.9%	50.9%
more than five years ago	14.7%	8.0%	11.6%

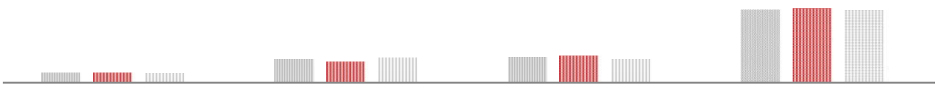
e. 1st Help Reasons

Men (23.0%) were more likely than women (17.5%) were to cite a drop in income as the main reason for seeking help, whereas women (43.3%) reported a change in circumstances more often than men (35.3%) did.

f. 1st Help Sources

Whilst women were slightly less inclined than men to seek a range of help before approaching a DRF Member, they were more inclined to approach a not-for-profit advice agency.

5.2 first sources of help



	other debt company	bank / creditors	NFP agency	did not seek other help
All (601)	7.3%	17.6%	19.1%	55.6%
female (175)	7.6%	16.0%	20.5%	56.4%
male (326)	7.1%	19.0%	17.8%	54.9%

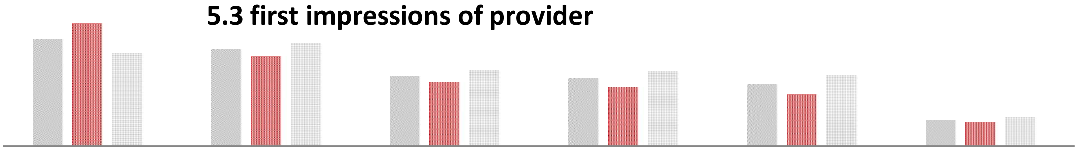
g. Debtors' Experience of Creditors

Women (30.5%) were significantly less likely to have token payments accepted before entering a solution than men (23.9%) were. They (82.9%) were also more likely to experience relief from creditors handling of account arrears than men (74.2%) were after a solution had started.

h. 1st Impressions from Initial Contact with DRF Members

On first inspection, it would seem that men were more aware of provider information like Licence numbers and fee examples than women were. However, this pattern was also common to couples, many of whom were represented by male respondents. Women were significantly more likely to recall initial contact by a DRF member than men were and DRF Members need to be aware that this could be construed as targeting, without consistent monitoring of referrals. It is entirely plausible that women simply recall contact better than men do and there is some evidence from the case studies to suggest that some women welcome a more personal approach. Further research is necessary to establish this.

5.3 first impressions of provider

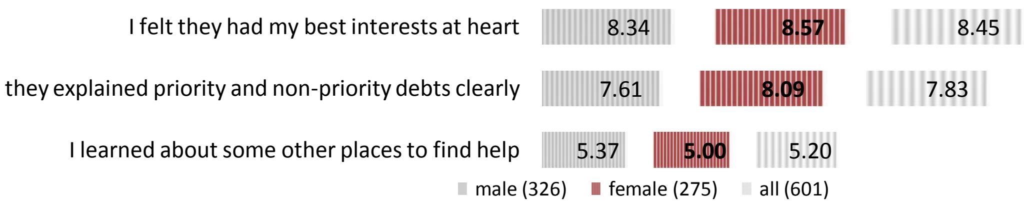


	they contacted me	clear contact details	overview of debt solutions	testimonials / referrals	fee examples	CCL number
All (601)	31.9%	29.0%	21.1%	20.3%	18.6%	8.0%
female (275)	36.7%	26.9%	19.3%	17.8%	15.6%	7.3%
male (326)	27.9%	30.7%	22.7%	22.4%	21.2%	8.6%

i. Pre-contract

With the exception of learning about other places to find help, women tended to give their providers slightly higher scores than men did for pre-contract aspects of service. This was significant because women were less likely than men to seek other help before entering a solution.

5.4 pre-contract ratings



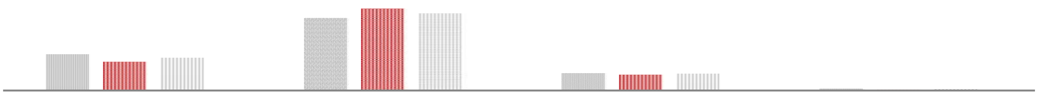
j. The Proposal

Receipt of a written proposal and recollections of its content were broadly consistent between genders although men (69.1%) were more inclined to recall receiving information about priority debts than women (63.8%) were.

k. The Solution

Men were far more likely to be in an IVA than women were and this may well be a significant difference between the genders because there was little difference in the uptake of IVAs between couples and respondents who were single

5.5 current solution

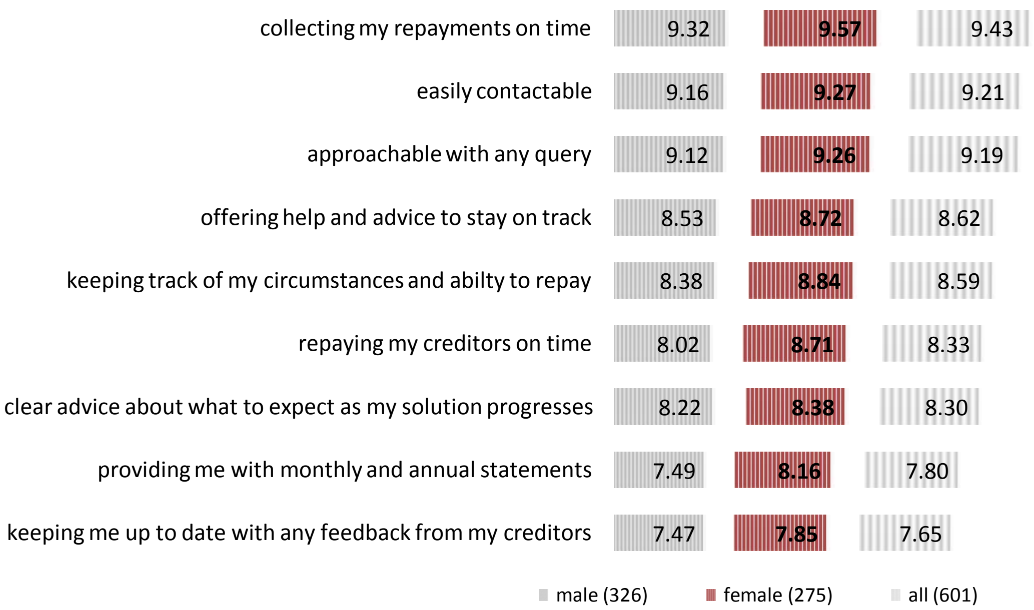


	IVA	DMP	recently completed	other solution
male (326)	27.3%	54.9%	12.9%	1.2%
female (275)	21.8%	61.8%	12.0%	0.7%
all (601)	24.8%	58.1%	12.5%	1.0%

l. Post-contract

On the whole, women gave their providers higher ratings for service delivery post-contract than men did. It is particularly worth noting that more women recalled the receipt of monthly and yearly statements than men.

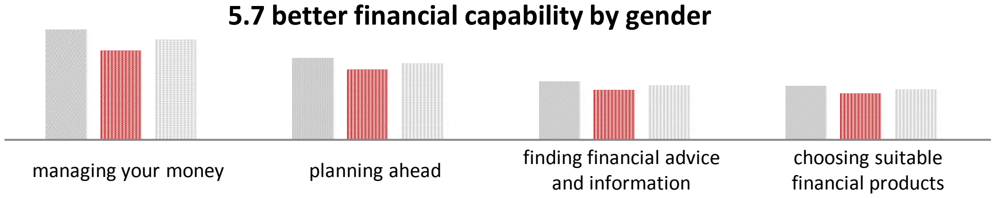
5.6 post-contract ratings



m. Financial Capability

Men reported that they felt better than women did about all aspects of financial capability since entering a solution.

5.7 better financial capability by gender



	managing your money	planning ahead	finding financial advice and information	choosing suitable financial products
male (326)	81.6%	76.1%	71.5%	70.6%
female (275)	77.5%	73.8%	69.8%	69.1%
all (601)	79.7%	75.0%	70.7%	69.9%

n. Conclusions

Without a clear distinction between individual and household debtors, it is impossible to ascertain whether any gender bias exists in over-indebtedness trends. As our Market Size research has shown, accurate data are essential to the fair and consistent delivery of debt advice and solutions. From this survey, there is some evidence of a longer-term increase in the number of women seeking debt help and this is corroborated by others' informed commentary and research.

However, these survey data also reveal some possibility that indebted women behave and experience indebtedness differently to men. Women were more likely to have entered a DMP and to be using a smaller provider than men were. They were also less likely to have token payments accepted before entering a solution and more likely to experience relief from creditor sanctions afterwards. The Money Advice Service would be well advised to extend its research into ***User Needs from Debt Advice*** to a more detailed assessment of service experience, not least, as there were other significant differences by demography and socio-economic classifications.

6. ETHNICITY

a. Overview

A total of 51 respondents (8.5% of the sample)stated their ethnicity as an origin other than White British, and this is lower than the proportion of minority populations across the UK as a whole (19.5%, 2011 Census). However, some reasonable inferences can be made from a subset of this size and many of the differences of opinion between respondents of White British and other origins are worthy of further investigation.

It is important to recognise that there were other demographic factors differentiating these respondents. For instance, minority ethnic respondents tended to be younger, with an average age of 43.1 compared to 46.1 for White British respondents. They were more likely to be tenants (55%) and to have dependent children (52.9%) also. However, with a starting debt to current income ratio of 1.72 - compared to 1.45 for the sample as a whole, and 1.15 recorded by the Money Advice Trust (from a Policis sample of 504 Payplan and National Debtline clients) - these respondents clearly did not match the dominant client profile of DRF members, or the free to client sector.

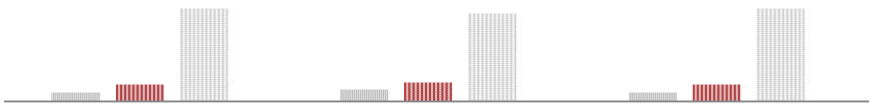
b. Using a Paid Solution

White British (13.1%) respondents were far more likely to have completed their solution than respondents of other origins (5.9%) were. A larger sample is necessary to determine the extent to which recent increases in the minority ethnic debtor population or a tendency for these respondents to use longer term solutions may be a cause of this. Comparisons between minority ethnic debtors using free and fee charging solutions is also essential to understanding this finding.

c. By Band

Respondents of minority origins were far more likely to have a solution with a Band 1 or Band 2 provider. In our report covering Key Performance Indicators for DRF members, it was apparent that clients of smaller firms often experienced continued sanctions after a solution was in place.

6.1 band

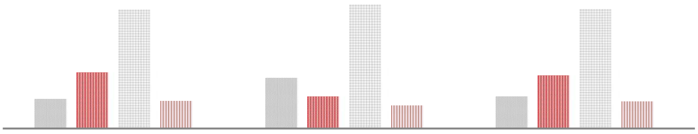


	white (544)	others (51)	all (601)
Band 1	7.2%	9.8%	7.3%
Band 2	14.0%	15.7%	14.0%
Band 3	78.9%	74.5%	78.7%

d. 1st Help Sought

From responses about when help was first sought, it would seem that the uptake of debt solutions amongst minority communities is increasing.

6.2 when help was first sought



	white (544)	others (51)	all (601)
within the last year	12.7%	21.6%	13.6%
one but less than two years ago	23.9%	13.7%	22.8%
two but less than five years ago	50.7%	52.9%	50.9%
more than five years ago	11.8%	9.8%	11.6%

e. 1st Help Reasons

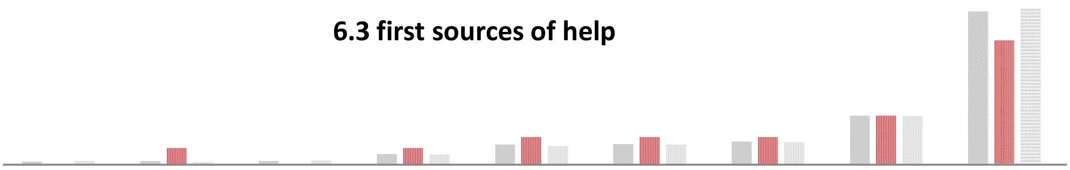
Minority ethnic respondents (17.6%) were far more likely to perceive overspending as their main reason for seeking help than those who were White British (13.8%). Whether this relates to cultural differences requires further research, not least because the subset was insufficient to differentiate communities where debt is a known taboo. This finding may also have a bearing on the choice of debt solution, since a DMP often requires debtors to repay in full, whereas an IVA may write off a proportion of debt.

f. 1st Help Sources

Well over half of the respondents who gave an ethnic origin other than White British sought a range of advice before approaching a DRF member and one in four had sought help from a not-for-profit provider. This was significant because consumers' advice seeking activity reported by the free to client sector is very different to that of this survey subset and the social exclusion of some minority communities is a known tendency.

It could be that perceptions of overspending create a sense of guilt, discouraging the use of free solutions, or that some free solutions do not deliver sufficient privacy or relief. Further research is essential to quantifying the extent of different attitudes and behaviours around debt amongst minority ethnic communities and to understanding them. It was also particularly interesting to note similar incidence of approaching banks and creditors for support before entering a solution between minority ethnic and White British respondents.

6.3 first sources of help



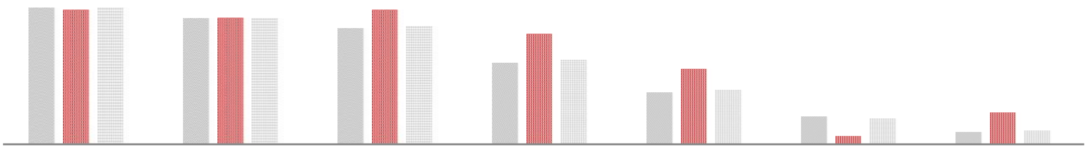
	internet search	friends / family	acct / solicitor / IFA	government / council	charity	other debt company	Money Advice Service	bank / creditors	none of these
all (601)	1.0%	1.2%	1.2%	3.7%	7.2%	7.3%	8.2%	17.6%	55.6%
others (51)	0.0%	5.9%	0.0%	5.9%	9.8%	9.8%	9.8%	17.6%	45.1%
white (544)2	1.1%	0.7%	1.3%	3.5%	6.6%	7.2%	8.1%	17.5%	56.6%

g. Debtors' Experience of Creditors

Given the similar proportions of minority ethnic and White British respondents seeking banks' and creditors' help and, indeed, clear evidence of information seeking amongst minority ethnic respondents, it was particularly disconcerting to see that White British respondents reported far lower incidence of creditor contact and sanctions than those of other origins.

It is pertinent that the question recording ethnicity was asked at the end of the interview, because this makes the possibility of bias remote. Furthermore, the minority ethnic subset for this survey comprises respondents from a diverse range of communities, with different cultures and traditions, so the levels of creditor contact and sanctions recorded in the following charts are cause for concern.

6.4 before entering a solution

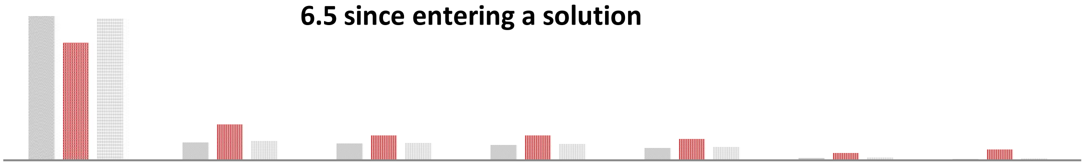


	call or visits at unreasonable times	notices of legal action	same or increased interest, penalties & charges	confusing communications	token payments not accepted	none of these	money withdrawn from another account
white (544)	67.8%	62.5%	57.7%	40.4%	25.7%	13.8%	6.1%
others (51)	66.7%	62.7%	66.7%	54.9%	37.3%	3.9%	15.7%
all (601)	67.9%	62.6%	58.6%	41.8%	27.0%	12.8%	6.8%

The extent to which minority ethnic respondents failed to find relief from their creditors, compared to their White British counterparts requires careful investigation. More than nine out of ten UK white respondents experienced an end to creditor actions after using a DRF member, dropping to just over two-thirds of minority ethnic respondents. Furthermore, the proportion of minority ethnic respondents experiencing continued legal action was more than double that of UK white respondents.

It is important to recognise the cultural differences that influence people to perceive circumstances differently and to design services that are sensitive to these. The Lending Code requires all mainstream creditors to treat debtors without prejudice. However, if some communities have an enhanced perception of responsibility for overspending, ignorance of this cultural difference has the potential to achieve institutional prejudice. The subset size for minority ethnic respondents to this survey is far from sufficient to assert any kind of prejudice, but it is sufficient to recommend further research into differing experiences of indebtedness by ethnicity.

6.5 since entering a solution

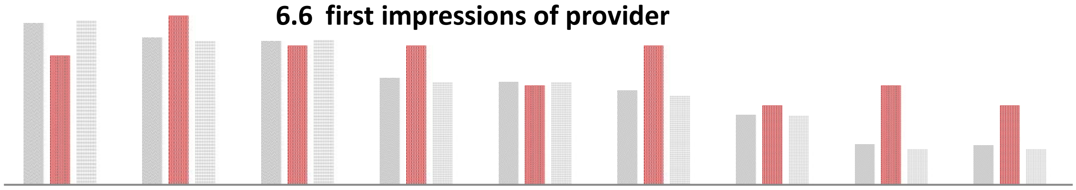


	none of these	notices of legal action	call or visits at unreasonable times	confusing communicatio ns	same or increased interest, penalties & charges	token payments not accepted	money withdrawn from another account
white (544)	79.4%	9.7%	9.2%	8.3%	6.8%	1.3%	0.6%
others (51)	64.7%	19.6%	13.7%	13.7%	11.8%	3.9%	5.9%
all (601)	78.2%	10.5%	9.5%	8.8%	7.2%	1.5%	1.0%

h. 1st Impressions from Initial Contact with DRF Members

Again, in respondents' accounts of first impressions of their solution provider, the capacity of minority ethnic respondents to notice aspects such as professional standards, a Consumer Credit Licence, examples of fees and overviews of debt solutions all point towards intrinsically motivated and informed decision making.

6.6 first impressions of provider

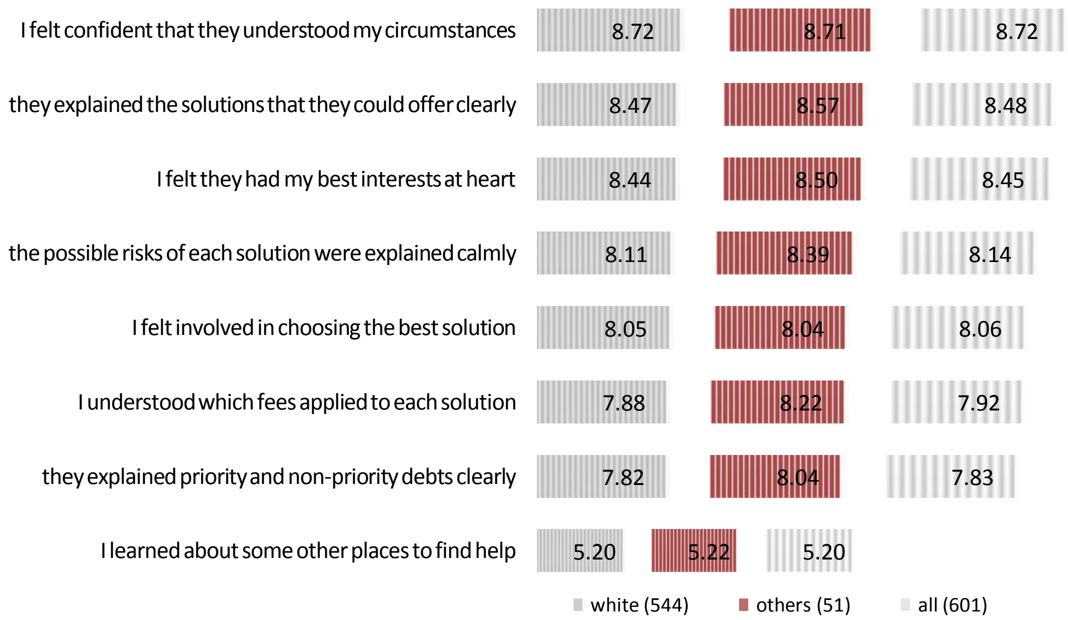


	they contacted me	clear contact details	top of an internet search	overview of debt solutions	testimonials / referrals	fee examples	adverts	CCL number	DRF / professional standards
all (601)	31.9%	29.0%	28.3%	21.1%	20.3%	18.6%	13.8%	8.0%	7.8%
others (51)	25.5%	33.3%	27.5%	27.5%	19.6%	27.5%	15.7%	19.6%	15.7%
white (544)2	32.4%	28.3%	28.5%	20.2%	20.2%	17.5%	13.6%	7.0%	7.0%

i. Pre-contract

For pre-contract aspects of service, minority ethnic respondents gave their providers higher scores than White British respondents did for all but two attributes. Perceptions that DRF members understood clients' circumstances and involved clients in decision making were almost identical across ethnicities. Interestingly, the biggest difference in mean ratings scores was for "I understood which fees applied to each solution". It would be helpful to know whether there was a similar lack of familiarity with the terms and conditions of credit agreements originally entered.

6.7 pre-contract ratings



j. The Proposal

Receipt of a written proposal was broadly consistent across all origins. However, there were fewer recollections for some specific content of proposals among minority ethnic respondents. As these tended to be significant documents that one would not expect a vigilant client to ignore, we are reminded that the subset was small, though often cohesive. This finding further emphasizes the need to research the experiences and perceptions of debtors from minority communities more thoroughly.

6.8 included in the proposal	others (45)	all (536)
total cost: fees & repayments	77.8	84.2
warning: impact on credit history	73.3	82.3
information - cooling off & how to terminate	68.9	76.8
how often updated on progress	71.1	75.9
information: priority debts / not included	62.2	66.7

k. The Solution

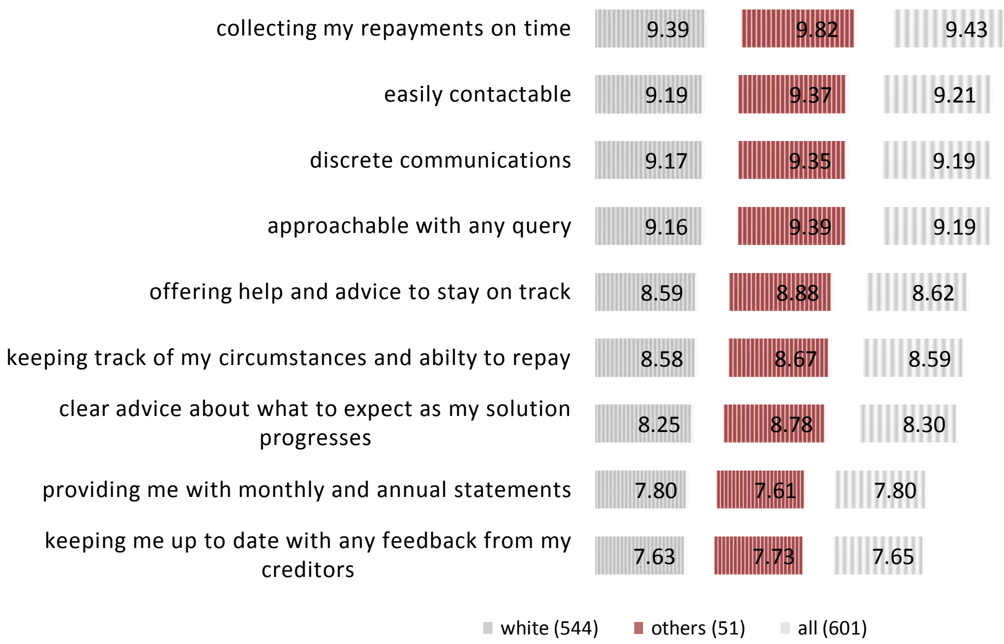
By solution currently in place, it was apparent that minority ethnic respondents were more likely to have entered a DMP than an IVA and less likely to have completed their solution. Whether this relates to increased demand from minority ethnic debtors or preferences for repayment solutions over those that write off a proportion of debt requires further research. The latter could indeed account for the higher incidence of creditor sanctions experienced by minority ethnic respondents to this survey. A larger research sample would permit direct comparison of White British and minority ethnic DMP clients, which should help to clarify the cause of different experiences of creditor actions by ethnicity.

6.9 included in the proposal	others (51)	White British (544)	all (601)
Debt Management Plan	64.7	57.4	57.9
IVA	21.6	24.8	24.6
completed solution	5.9	13.1	12.5

l. Post-contract

Again, minority ethnic respondents tended to give higher ratings for post-contract aspects of service, with the exception of "providing me with monthly and annual statements".

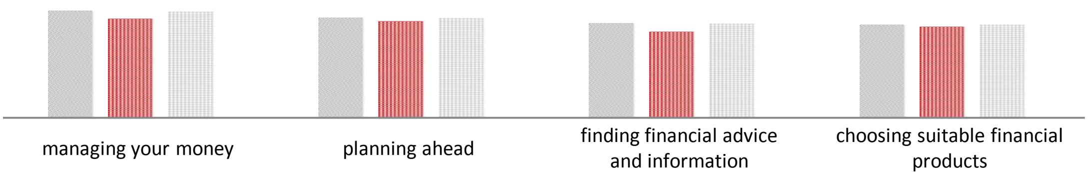
6.10 post-contract ratings



m. Financial Capability

Reports of improved financial capability were far more common to White British respondents than among those of minority ethnic origin. Minority ethnic respondents tended to be active advice seekers, and inclined to perceive their debt problem as caused by overspending. It was therefore pertinent that they did not experience improved financial capability since entering a solution.

6.11 better financial capability



	managing your money	planning ahead	finding financial advice and information	choosing suitable financial products
white (544)	80.3%	75.4%	71.1%	69.9%
others (51)	74.5%	72.5%	64.7%	68.6%
all (601)	79.7%	75.0%	70.7%	69.9%

n. Conclusions

Whilst the subset of minority ethnic respondents was small, at 51 from a sample of 601 interviews, there were consistent indications that the profile, values and experiences of these clients did not match the dominant features of either DRF members' or the not-for-profit sector's clientele. Demographically, these clients seemed akin to the growing trend towards younger families, living in rented accommodation. This adds even more urgency to further research into the behaviours and perceptions of debtors from minority ethnic communities.

The most notable difference between these and White British respondents was that minority ethnic clients were the most active advice seekers of any client group, demonstrating both the motivation and capacity to seek and discern between sources of help. That they were also far more inclined to perceive a debt problem as related to overspending, and to experience creditor sanctions to a greater degree than their White British counterparts is indicative of either significant cultural differences in attitudes to debt, or an unintended consequence of treating all debtors the same. In either case, UK Equalities Law requires any potential for institutional prejudice to be eliminated. The uptake of debt advice amongst minority communities is increasing and this research provides clear evidence that all professionals concerned with debt relief need to consider this trend.

7. TENURE

a. Overview

Just over 46% of the respondents to this survey were homeowners - 41.1% with a mortgage and 5.3% without – compared to 38% of Payplan and National Debtline clients interviewed for the Money Advice Trust's *Channel Strategy Research*. The second largest tenure category was that of private tenants, who accounted for more than a quarter of all respondents, and just over one in five respondents were social tenants. Homeowners without a mortgage tended to be significantly older than other respondents, and the youngest tenure group were those living with family / friends. However, this client group is not exclusively young because the case studies encountered some older clients living with their adult children.

7.1 average age by tenure

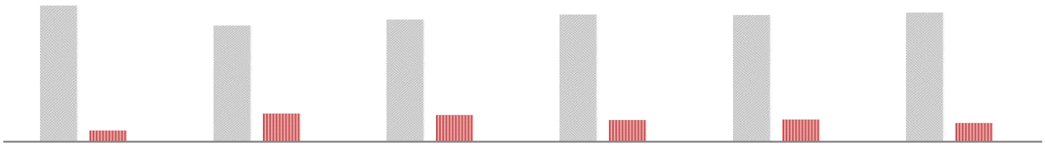
home owner without a mortgage	61.41
home owner with a mortgage	47.67
social tenant	46.23
private tenant	40.68
living with family / friends	39.75

Homeowners with mortgages were most likely to be in a relationship (80.2%) and second most likely (47.4%) after social tenants (51.9%) to have children. However, it is worth noting that 44.7% of private tenants also had dependent children. There was a higher prevalence of tenancies amongst minority ethnic respondents (55%) and this was split equally between private and social housing.

b. Using a Paid Solution

Most likely to have completed their debt solution recently were homeowners without a mortgage and private tenants. Given the finding that respondents who had recently completed a solution were younger than those who were still using one, and that clients in the 25-39 age range tended to be more discerning advice seekers, it is reasonable to deduce that some younger private tenants find solutions with fees an effective method for prompt recovery. Indeed, this was a finding among some respondents, participating in a subsequent study in October 2012, to explore the outcomes of DRF members' clients, who had dropped out of debt management plans.

7.2 solution still provided

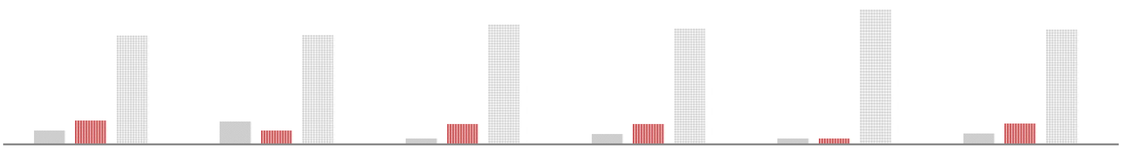


	mortgaged (247)	unmortgaged (32)	private tenant (152)	social tenant (131)	with friends/family (27)	(all 601)
yes	91.5%	78.1%	82.2%	85.5%	85.2%	86.9%
no - ended	7.3%	18.8%	17.8%	14.5%	14.8%	12.5%

c. By Band

Proportionately, there were more homeowners among respondents using smaller providers compared to clients of Band 3 companies across the sample as a whole and similarly, a higher proportion of respondents living with friends or family were using Band 3 providers.

7.3 band

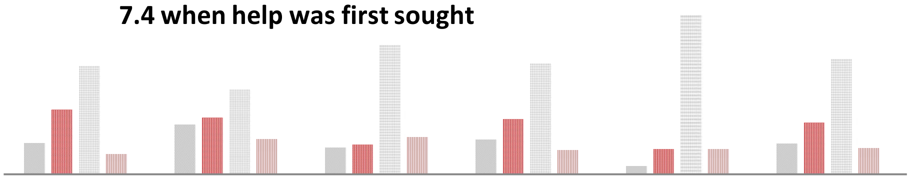


	mortgaged (247)	unmortgaged (32)	private tenant (152)	social tenant (131)	with friends/family (27)	(all 601)
Band 1	9.3%	15.6%	3.9%	6.9%	3.7%	7.3%
Band 2	16.2%	9.4%	13.8%	13.7%	3.7%	14.0%
Band 3	74.5%	75.0%	82.2%	79.4%	92.6%	78.7%

d. 1st Help Sought

Recent increases in the proportions of respondents with security of tenure, such as unmortgaged homeowners and social tenants, who were seeking help for the first time is clear indication of an economic downturn.

7.4 when help was first sought

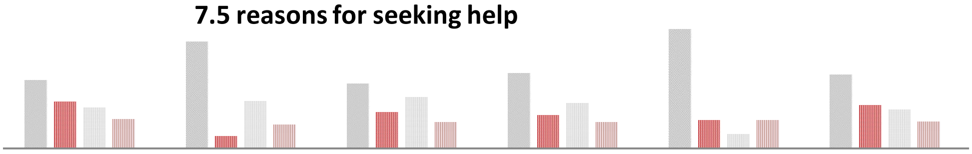


	mortgaged (247)	unmortgaged (32)	private tenant (152)	social tenant (131)	with friends/family (27)	(all 601)
within the last year	13.8%	21.9%	11.8%	15.3%	3.7%	13.6%
one but less than two years ago	28.7%	25.0%	13.2%	24.4%	11.1%	22.8%
two but less than five years ago	47.8%	37.5%	57.2%	48.9%	70.4%	50.9%
more than five years ago	8.9%	15.6%	16.4%	10.7%	11.1%	11.6%

e. 1st Help Reasons

Most affected by changing circumstances were unmortgaged homeowners, and by a drop in income, mortgaged homeowners. Private tenants were the most likely group to report increased outgoings as the main reason for seeking debt help, which is significant given the substantial increases in the uptake of private rented accommodation and the associated rents charged in recent years.

7.5 reasons for seeking help



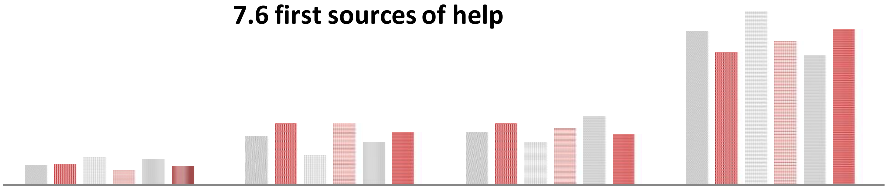
	mortgaged (247)	unmortgaged (32)	private tenant (152)	social tenant (131)	with friends/family (27)	(all 601)
change in circumstances	36.0%	56.3%	34.2%	39.7%	63.0%	38.9%
drop in income	24.7%	6.3%	19.1%	17.6%	14.8%	22.8%
increased outgoings	21.5%	25.0%	27.0%	23.7%	7.4%	20.5%
overspending	15.4%	12.5%	13.8%	13.7%	14.8%	14.1%

f. 1st Help Sources

Social tenants were the least likely to shop around for help or to approach a not-for-profit advice agency before entering a solution. This is significant because social landlords invest considerable resources in tenant participation, social inclusion and financial education. However, until it becomes certain that social tenants are making an informed choice in going directly to a fee charging provider, this finding should alert DRF members to become more vigilant in advising social tenants of other sources of debt and relevant social help.

From the case studies it was apparent that some lower income debtors may not be aware of free to client solutions and, in accordance with the OFT's new Debt Management Guidance, it is now essential to avoid any potential for vulnerable clients' ignorance of free support. Clearly, it is essential not to presume vulnerability as this denies individuals' rights to independent decision making in line with UK equalities law. However, simply monitoring prior contact with other agencies from a prompted script at initial consultation will help providers to diagnose other advice seeking recommendations for potential clients and referrals.

7.6 first sources of help

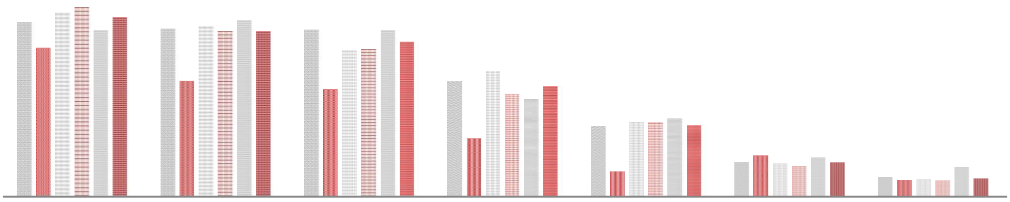


	other debt company	bank / creditors	NFP agency	did not seek other help
(all 601)	7.3%	17.6%	19.1%	55.6%
with friends/family (27)	7.4%	22.2%	22.2%	48.1%
social tenant (131)	9.9%	10.7%	15.3%	62.6%
private tenant (152)2	5.3%	22.4%	20.4%	52.0%
unmortgaged (32)2	9.4%	15.6%	25.0%	46.9%
mortgaged (247)2	6.9%	19.0%	18.2%	56.3%

g. Debtors' Experience of Creditors

Before entering a solution, homeowners with a mortgage were more likely to experience the same or increased penalties and charges than any other tenure group and respondents living with friends or family were less likely to have token payments accepted. The former would tend to indicate that some debt collection processes consider household assets as leverage to secure repayments.

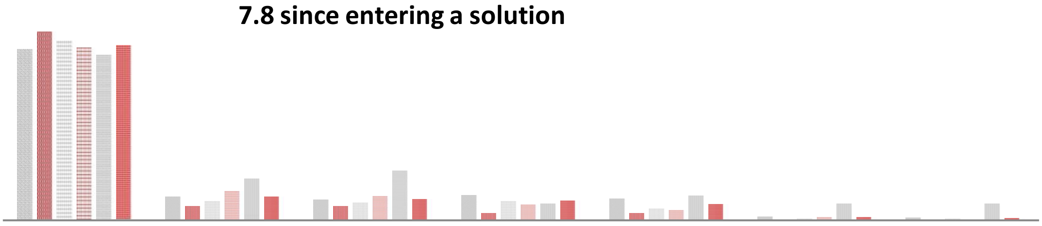
7.7 before entering a solution



	call or visits at unreasonable times	notices of legal action	same or increased interest, penalties & charges	confusing communications	token payments not accepted	none of these	money withdrawn from another account
mortgaged (247)	66.0%	63.6%	63.2%	43.7%	26.7%	13.0%	7.3%
unmortgaged (32)	56.3%	43.8%	40.6%	21.9%	9.4%	15.6%	6.3%
private tenant (152)	69.7%	64.5%	55.3%	47.4%	28.3%	12.5%	6.6%
social tenant (131)	71.8%	62.6%	55.7%	38.9%	28.2%	11.5%	6.1%
with friends/family (27)	63.0%	66.7%	63.0%	37.0%	29.6%	14.8%	11.1%
(all 601)	67.9%	62.6%	58.6%	41.8%	27.0%	12.8%	6.8%

Least affected by sanctions before and after entering a debt solution were homeowners without a mortgage. Respondents in this tenure group was most often in the over 60 age-range also, among whom greater relief was experienced.

7.8 since entering a solution

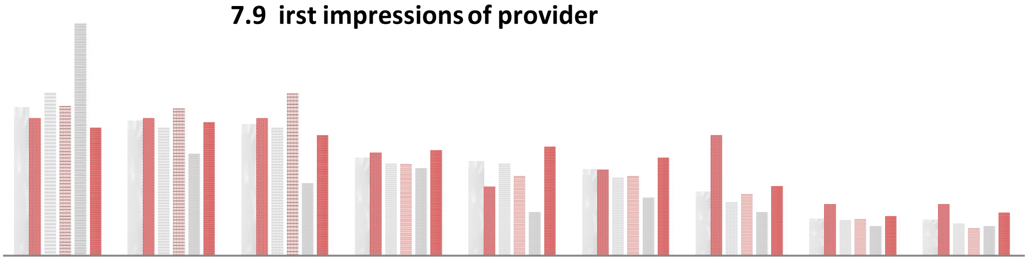


	none of these	notices of legal action	call or visits at unreasonable times	confusing communications	same or increased interest, penalties & charges	token payments not accepted	money withdrawn from another account
mortgaged (247)	76.5%	10.5%	9.3%	11.3%	9.7%	1.6%	1.2%
unmortgaged (32)	84.4%	6.3%	6.3%	3.1%	3.1%	0.0%	0.0%
private tenant (152)	80.3%	8.6%	7.9%	8.6%	5.3%	0.7%	0.7%
social tenant (131)	77.1%	13.0%	10.7%	6.9%	4.6%	1.5%	0.0%
with friends/family (27)	74.1%	18.5%	22.2%	7.4%	11.1%	7.4%	7.4%
(all 601)	78.2%	10.5%	9.5%	8.8%	7.2%	1.5%	1.0%

h. 1st Impressions from Initial Contact with DRF Members

Homeowners with mortgages were the most likely to notice attributes like Licence numbers, contact details, information about fees and different debt solutions. Homeowners without a mortgage were most likely to have been contacted by their provider, although it is worth recalling that one in four of these respondents sought not-for-profit advice before entering a solution. Private tenants were inclined to notice internet search rankings and those living with friends or family tended to comment on mainstream advertising.

7.9 irst impressions of provider



	they contacted me	clear contact details	top of an internet search	overview of debt solutions	testimonials / referrals	fee examples	adverts	CCL number	DRF / professional standards
(all 601)	31.9%	29.0%	28.3%	21.1%	20.3%	18.6%	13.8%	8.0%	7.8%
with friends/family (27)	29.6%	29.6%	29.6%	22.2%	14.8%	18.5%	25.9%	11.1%	11.1%
social tenant (131)	35.1%	27.5%	27.5%	19.8%	19.8%	16.8%	11.5%	7.6%	6.9%
private tenant (152)	32.2%	31.6%	34.9%	19.7%	17.1%	17.1%	13.2%	7.9%	5.9%
unmortgaged (32)	50.0%	21.9%	15.6%	18.8%	9.4%	12.5%	9.4%	6.3%	6.3%
mortgaged (247)	27.5%	28.7%	25.9%	22.7%	23.5%	21.1%	15.0%	8.5%	9.3%

i. Pre-contract

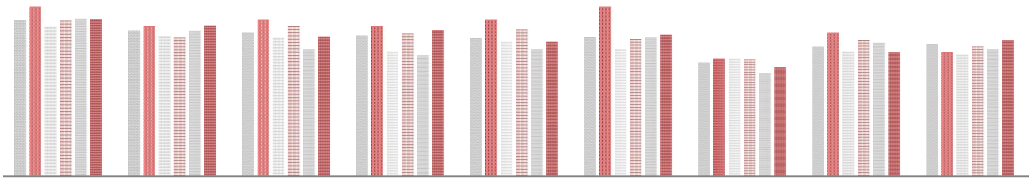
Social tenants often gave their providers higher scores and homeowners without a mortgage tended to give their providers lower ratings for pre-contract aspects of service than other tenure groups did.

7.10 pre-contract ratings

j. The Proposal

Social tenants (91.6%) and those living with friends or family (96.3%) were most likely to recall receipt of a written proposal. The latter were also far more likely to cite all of the documentation they should have received at that time.

7.11 included in written proposal



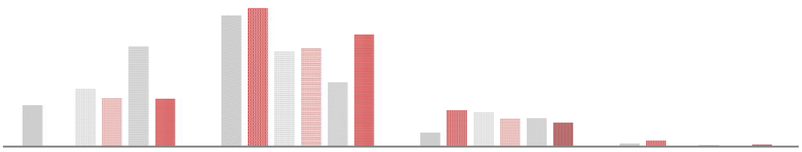
	statement: income, expenditure & surplus	details: repayment offer to each creditor	total cost: fees & repayments	warning: impact on credit history	estimated solution length	warning: creditors' right to reject	information: priority debts / not included	how often updated on progress	information - cooling off & how to terminate
(all 531)	91.9%	85.7%	84.6%	82.9%	81.5%	81.9%	66.9%	76.5%	77.8%
with friends/family (26)	100.0%	88.5%	92.3%	88.5%	92.3%	100.0%	69.2%	84.6%	73.1%
social tenant (120)	88.3%	82.5%	81.7%	73.3%	79.2%	75.0%	69.2%	73.3%	71.6%
private tenant (131)	91.6%	81.7%	88.5%	84.0%	86.3%	80.9%	68.7%	80.2%	76.3%
unmortgaged (28)	92.9%	85.7%	75.0%	71.4%	75.0%	82.1%	60.7%	78.6%	75.0%
mortgaged (216)	92.6%	88.9%	82.4%	86.1%	79.2%	83.3%	64.4%	73.1%	80.1%

By tenure, homeowners with mortgages tended to be least likely to recall the detail of proposal documentation, most notably: that pertaining to solution costs, differentiating fees and repayments; the impact of the solution on their credit history; the estimated solution length; and the distinction between priority and non-priority debts. DRF members would do well to draw attention to these specific documents when checking receipt of a written proposal with homeowners who have a mortgage.

k. The Solution

The only respondent group where there were more IVA clients than DMP clients was those living with friends or family. There were no current IVA clients amongst the homeowners without a mortgage interviewed for this survey.

7.12 current solution

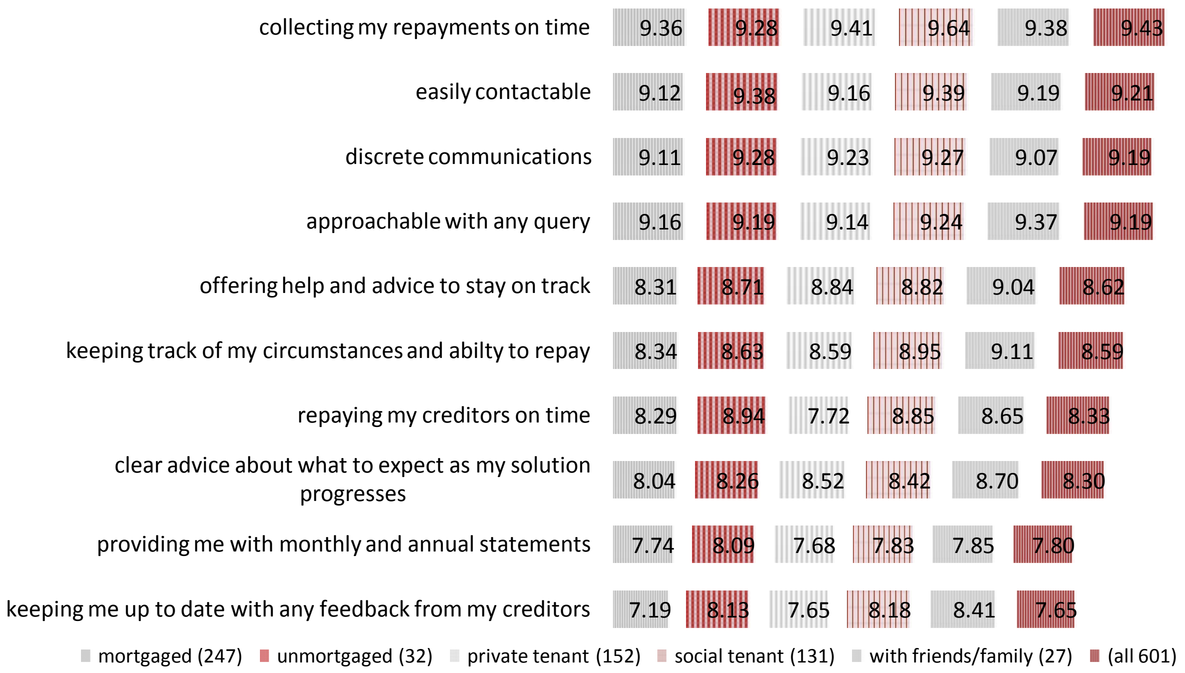


	IVA	DMP	recently completed	other solution
mortgaged (247)	21.5%	68.0%	7.3%	1.6%
unmortgaged (32)	0.0%	71.9%	18.8%	3.1%
private tenant (152)	30.0%	49.3%	17.8%	0.0%
social tenant (131)	25.2%	51.1%	14.5%	0.8%
with friends/family (27)	51.9%	33.3%	14.8%	0.0%
(all 601)	24.8%	58.1%	12.5%	1.0%

l. Post-contract

Again, social tenants gave their providers consistently higher ratings than other tenure groups for post-contract aspects of service and it is important to recognise this in spite of their lower incidence of shopping around for advice before entering a solution. It is inappropriate to assume that social tenants do not make a conscious decision to go directly to a fee charging company for debt help, without further evidence of their advice seeking rationale and pathways.

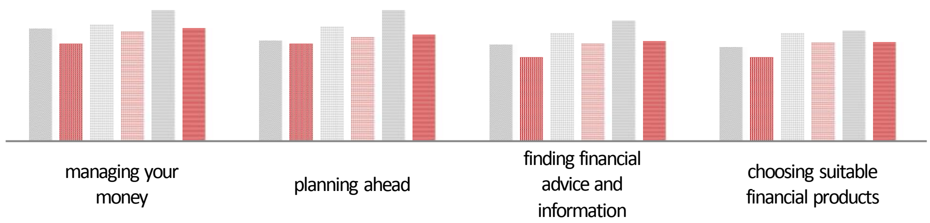
7.13 post-contract ratings



m. Financial Capability

Least likely to report improved financial capability since entering a debt solution were homeowners without a mortgage, and these respondents also tended to be older than other tenure groups. Most likely to report an improvement were those living with friends or family, and these respondents tended to be younger than other tenure groups.

7.14 better financial capability



	managing your money	planning ahead	finding financial advice and information	choosing suitable financial products
mortgaged (247)	79.4%	70.9%	68.0%	66.4%
unmortgaged (32)	68.8%	68.8%	59.4%	59.4%
private tenant (152)	82.2%	80.9%	76.3%	76.3%
social tenant (131)	77.1%	73.3%	68.7%	69.5%
with friends/family (27)	92.6%	92.6%	85.2%	77.8%
(all 601)	79.7%	75.0%	70.7%	69.9%

n. Conclusions

Two key trends emerged in the analysis by tenure. Firstly, homeowners with mortgages seem to encounter higher incidence of interest, penalties and charges against accounts in arrears before entering a solution, which could make them more vulnerable to repossession in the longer term. Whether this is a coincidence of the sample or prevalent across the entire debtor population requires more research. It is a premise of the Lending Code that creditors treat all debtors without prejudice.

The second key finding was the tendency for social tenants to be satisfied with providers, despite apparently limited reference to other sources of advice. To safeguard sensitively against potential vulnerability, we recommend combining checks of prior advice sought with signposting potential clients to other sources of help and support.

8. RELATIONSHIPS

a. Overview

Around two-thirds of respondents to this survey were in a relationship, compared to around half of clients reported as using free solutions in the public domain and a higher prevalence of couples was common to every age group recorded for this survey.

b. Using a Paid Solution

Respondents who were single were slightly more likely to have completed their solution (14.8%) than those in a relationship (11.8%).

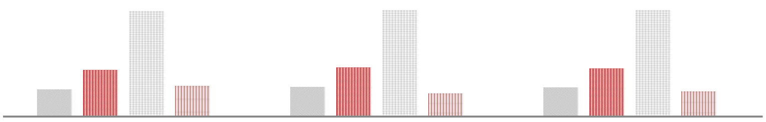
c. By Band

The proportion of couples in the sample rose significantly amongst smaller providers: almost four out of five Band 1 clients were in a relationship and three out of four Band 2 clients. Given such distinct characteristics and the significant proportion of smaller traders in the commercial debt sector, further research is essential to informed policy making and regulation in the debt resolution sector.

d. 1st Help Sought

Couples were slightly more likely than respondents who were single to have first accessed advice within the last year or two. This tends to reflect a squeezed middle, in which dual income households may have become more prone to indebtedness.

8.1 when advice was first sought

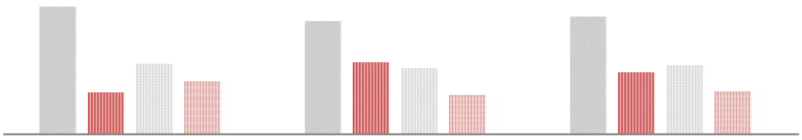


	single (189)	couple (400)	all (601)
within the last year	12.7%	14.0%	13.6%
one but less than two years ago	22.2%	23.3%	22.8%
two but less than five years ago	50.3%	50.8%	50.9%
more than five years ago	14.3%	10.8%	11.6%

e. 1st Help Reasons

Single respondents were most likely to give the main reason for seeking debt help as a change in circumstances, whereas a higher proportion of couples reported a drop in income.

8.2 reasons for first seeking help

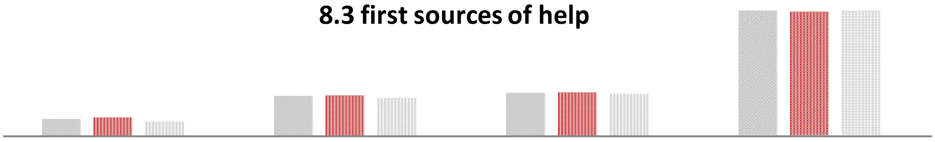


	single (189)	couple (400)	all (601)
change in circumstances	42.3%	37.5%	38.9%
drop in income	13.8%	23.8%	20.5%
increased outgoings	23.3%	21.8%	22.8%
overspending	17.5%	13.0%	14.1%

f. 1st Help Sources

Whilst the proportion of respondents who did not seek other help before entering a solution was similar irrespective of relationship status, couples were more likely than singles to approach personal finance professionals like banks or creditors, other debt management companies and to seek not-for-profit advice than those who were single.

8.3 first sources of help



	other debt company	bank / creditors	NFP agency	did not seek other help
all (601)	7.3%	17.6%	19.1%	55.6%
couple (400)	8.0%	18.0%	19.3%	55.3%
single (189)2	6.3%	16.9%	18.5%	55.6%

It is therefore worth recalling the tendency for StepChange clients, who were also more likely to be single than DRF members' clients, to depend on informal support networks for debt help and advice.

8.4 Advice Seeking by StepChange Clients

Prior to contacting any debt advice charity was there anybody you had spoken to about your debt problems?	%
partner	42
close family / friends	25
no one	23
other	8
doctor / other medical professional	2
TOTAL	100

Source: Appendix Three, StepChange / CCCS Statistical Yearbook 2011, Base = 2060

g. Debtors' Experience of Creditors

With the exception of experiencing the same or increased interest, penalties or charges, there were few differences between the responses of single clients and couples, with regard to how creditors were reported as handling account arrears and debt collections before and after entering a solution. It was significant that this was the principal difference between respondents of different relationship status because more than eight out of ten homeowners stated that they were in a relationship.

8.5 interest, penalty or charge sanctions before entering a solution

Single respondents	53.4%
Couples	61.0%

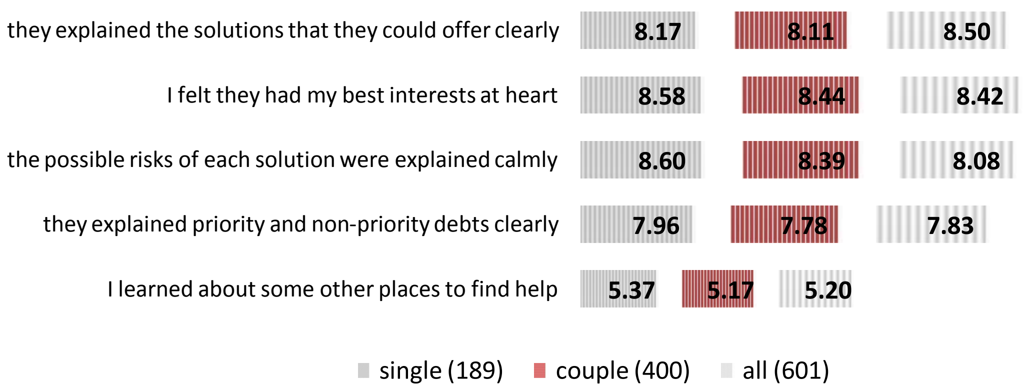
h. 1st Impressions from Initial Contact with DRF Members

There were few differences between singles and couples responding to this survey with regard to first impressions of their solution provider. The extent of contact made by DRF members was also similar across these two respondent groups, which is significant because being in a relationship was one of the principal differences between DRF members' and free solutions providers' clients.

i. Pre-contract

There was a slight tendency for single respondents to give higher pre-contract service ratings than couples did, most notably for the possible risks of each solution.

8.6 pre-contract ratings



j. The Proposal

Receipt of a written proposal was fairly consistent between single respondents and couples. However, recollection of the proposal's content varied significantly for a number of factors. Most notably, single respondents were less likely to recall information about creditors' right to reject an arrangement and the solution cost or length.

8.7 included in written proposals by relationship status

	single	couple
a warning of creditors right to reject some or all of the solution	75.3%	85.2%
the total cost of the solution differentiating monthly repayments and fees	80.6%	86.1%
the estimated duration (length) of the solution	78.2%	82.7%

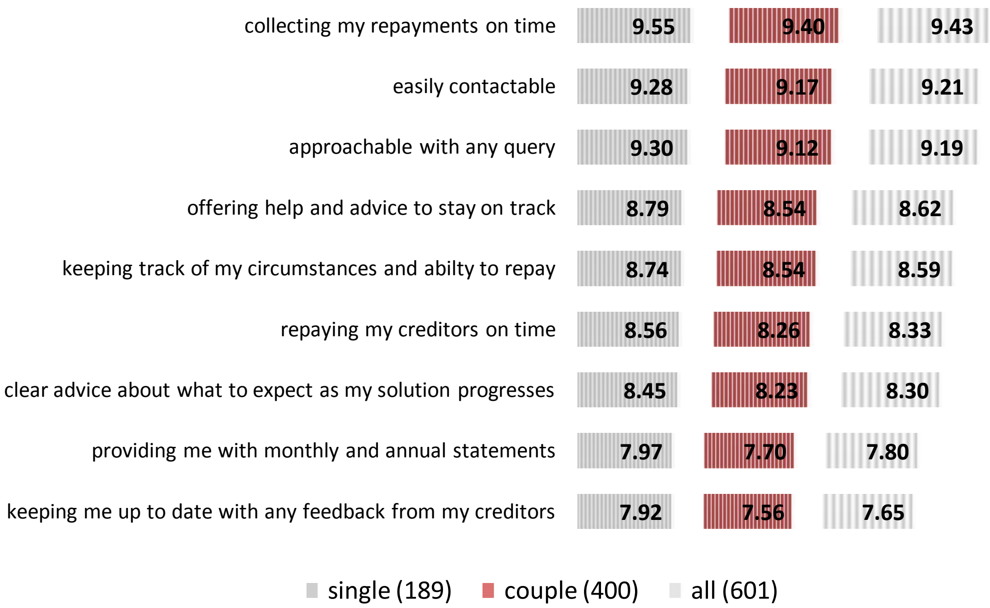
k. The Solution

Couples (24.8%) were slightly more likely to be in an IVA currently than singles (23.8%) were. However, as mentioned previously, a greater proportion of singles had recently completed their solution.

l. Post-contract

Again, singles tended to give slightly higher ratings for performance post-contract than couples did.

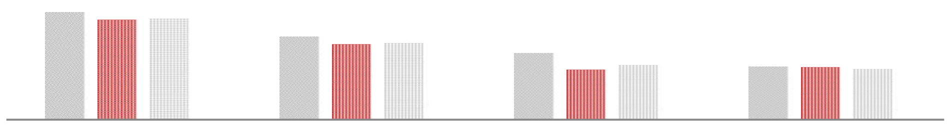
8.8 post-contract ratings



m. Financial Capability

Singles were more likely to report better financial capability since entering their debt solution than couples were.

8.9 better financial capability



	managing your money	planning ahead	finding financial advice and information	choosing suitable financial products
single (189)	81.0%	76.2%	73.0%	70.4%
couple (400)	79.5%	74.8%	69.8%	70.3%
all (601)	79.7%	75.0%	70.7%	69.9%

n. Conclusions

Relationship status was one of the key differences between DRF members and not-for-profit clients: proportionately, couples seem more inclined to access paid rather free solutions. That couples were more inclined to be homeowners and to experience credit account sanctions, particularly interest, penalties and charges, was even more striking when it became apparent that shopping around for help was similar between couples and singles. It seems clear that DRF members' clients have different priorities to clients of not-for-profit providers and the qualitative research provided some evidence that relief from creditors was often a reason for paying for a solution.

9. DEPENDENT CHILDREN

a. Overview

44.1% of respondents to this survey had dependent children, a proportion that bears a striking resemblance to the client profile reported by free solutions providers, despite significant differences in age, tenure and relationship status. This was remarkable because it was the only demographic attribute for this sample where there was a similarity with free-to-client services. However, almost eight out of ten of these parents were in a relationship, compared to around two-thirds in relationships across the sample as a whole, and around half of all free solution clients. It is possible that lone parents tend to use free services whereas couples may be more inclined to pay for a debt solution and this requires further research and comparison between free and fee charging providers.

b. Using a Paid Solution

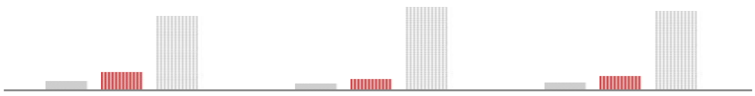
Respondents without children were more likely to have completed their solution, than those with children.

9.1 Using a solution	with (265)	without (283)	all (601)
in a solution	89.1	85.0	86.9
completed a solution	10.6	14.1	12.5

c. By Band

There seemed to be larger proportions of families in the client base of smaller providers than recorded for larger providers. In the context of the "squeezed middle", a probable dependence of families on smaller providers makes the accurate mapping of debt advice and solutions in the UK supply even more critical.

9.2 band

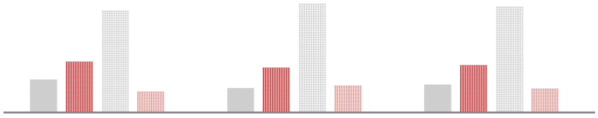


	with (265)	without (283)	all (601)
Band 1	8.7%	6.3%	7.3%
Band 2	17.7%	11.1%	14.0%
Band 3	73.6%	82.6%	78.7%

d. 1st Help Sought

It was also clear that, whereas not-for-profit advice and solutions providers have been witnessing an increase in demand from older clients, DRF members were experiencing greater levels of demand from families for debt help.

9.3 when advice was first sought



	with (265)	without (283)	all (601)
within the last year	15.8%	11.7%	13.6%
one but less than two years ago	24.5%	21.6%	22.8%
two but less than five years ago	49.1%	52.3%	50.9%
more than five years ago	10.2%	12.9%	11.6%

e. **1st Help Reasons**

The main reason for seeking debt advice was often similar, irrespective of dependent children, with the exception that respondents with children (22.6%) were more likely than those without (18.6%) to cite a drop in income as contributing to problem debt.

f. **1st Help Sources**

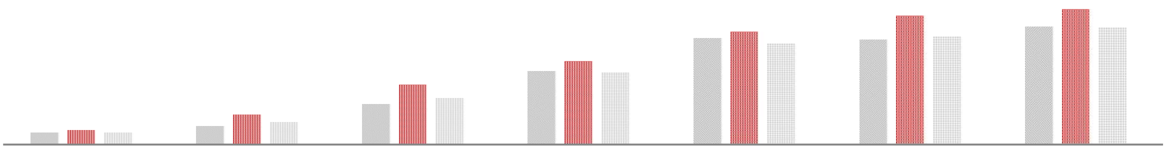
The advice sources used before entering a solution were also very similar, although respondents with dependent children (20.8%) were marginally more likely to have sought help from a not-for-profit agency, such as a charity, government or council or the Money Advice Service, than those without children (17.4%).

g. Debtors' Experience of Creditors

Respondents with children were far more likely to report credit account sanctions before entering a solution – almost 90% of the respondents with dependent children interviewed for this research. Respondents with families were also more likely to use a smaller provider and to be homeowners with a mortgage, these being two of the main characteristics of respondents reporting sanctions both before and after entering a solution.

Whilst 94% of respondents without children reported no further action after entering a solution, only 75.8% of respondents with dependent children stated that sanctions had stopped. It would seem therefore that home owning families, who may be using local providers by recommendation for reliability and ease, feel particularly vulnerable to continued debt collection, making them doubly squeezed.

9.4 experiences before a solution by dependent children



	money withdrawn from another account	none of these	token payments not accepted	confusing communications	same or increased interest, penalties & charges	notices of legal action	calls / visits at unreasonable times
with (265)	6.8%	10.6%	23.4%	42.6%	61.9%	61.1%	68.7%
without (283)	8.1%	17.3%	34.6%	48.4%	65.7%	74.9%	78.8%
all (601)	6.8%	12.8%	27.0%	41.8%	58.6%	62.6%	67.9%

h. **1st Impressions from Initial Contact with DRF Members**

Respondents with dependent children were more likely to have noticed their provider at the top of an internet search, and to have spotted a consumer credit licence number, whereas respondents without children had often had their provider recommended to them.

9.5 1st Impressions	with (265)	without (283)	all (601)
top of an internet search	32.1	25.2	28.3
CCL number	9.8	6.6	8.0
testimonials / referrals	18.1	22.2	20.3

i. **Pre-contract**

Respondents with families (8.31%) gave higher ratings for explaining the risks of each solution than those without (8.01%).

j. The Proposal

Receipt of a written proposal was broadly consistent between respondents with and without children. However, families were less likely to recall receipt of several important items with their written proposal.

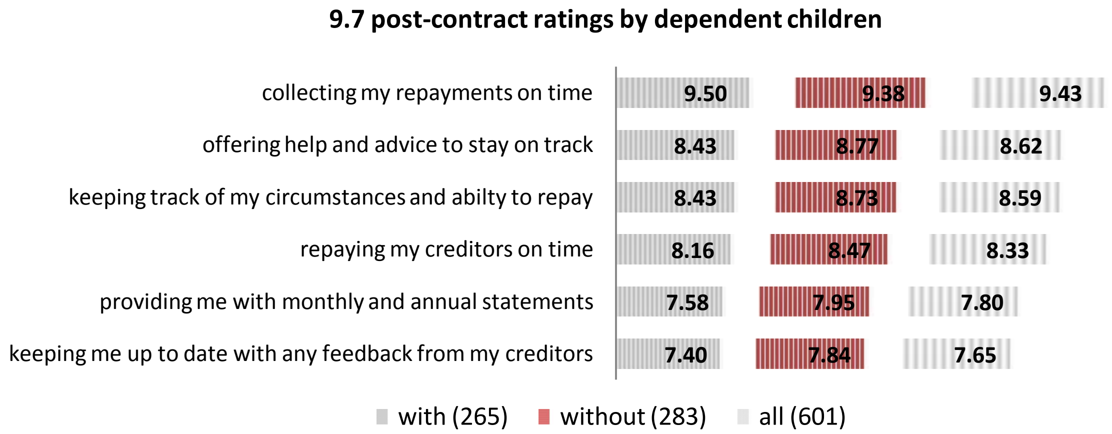
9.6 included in proposal	with (233)	without (296)	all (536)
warning: impact on credit history	79.4	84.5	82.3
estimated solution length	79.4	83.1	81.5
information - cooling off & how to terminate	79.0	75.3	76.8
information: priority debts / not included	68.7	64.9	66.7

k. **The Solution**

IVA levels were almost identical between respondents with or without children, whereas those with dependent families were marginally more likely to have a DMP (47.6%) and those without more likely to have completed a debt solution recently (16.6%).

l. Post-contract

For several post-contract aspects of service, respondents without children tended to give higher ratings for their providers. Ensuring that families, who can often be distracted by caring responsibilities, are aware of all the documentation they should have received before entering a solution should help to improve post-contract perceptions of service.



m. Financial Capability

A higher proportion of respondents without children (81.4%) reported improvements with "managing my money" since entering a solution than those with children (77.7%).

n. Conclusions

In common with homeowners who still had a mortgage to repay, respondents with dependent children were more likely to report higher incidence of increased interest, penalties and charges than respondents without. Given the trend for cash strapped families to start seeking debt help (although more prevalent among those in privately rented homes), it does seem that further consideration needs to be given to debtors, who, without an economic downturn might not be seeking so much help and support.

It was pertinent that those with dependent children were more inclined to seek other advice before entering a solution. This was a clear indicator that the responsibility of having dependents is a driver for informed decision-making. It therefore seems particularly unsustainable for creditors to respond with continued sanctions to debtors, who have dependents, are active advice seekers, making informed choices and, above all, who are making an effort to repay their debts.

Further research into appropriate leverage from assets to secure repayments is essential to ensuring that the youth of today do not enter the adult world of tomorrow perceiving themselves as unable to exit the debtor population. How we manage debt and debtors in the current climate is critical to sustainable recovery.

10. REGION

a. Overview

Due to some very small subsets in some areas, this analysis combines responses into four regions as follows:

Table 10.1 composition of regions analysed

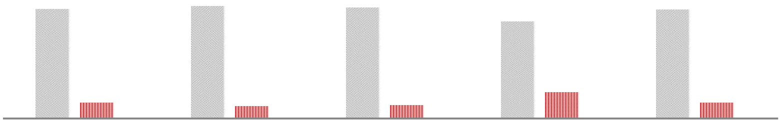
		% sample
North (137)	North East	4.2
	Scotland	4.7
	North West	14.0
South (226)	Greater London	10.5
	South West	10.8
	South East	16.3
East (132)	East Anglia	4.8
	East Midlands	8.0
	Yorkshire & Humberside	9.2
West (106)	Northern Ireland	1.7
	Wales	5.3
	West Midlands	10.6

Almost two-fifths of respondents were located in the South of the country, whereas less than half this were in the West. Both mortgaged and unmortgaged home ownership were highest in the North (59.9%) and lowest in the South (38%), where social tenancies were more common (27%), although not as high as they were in the West (27.4%). Almost 16% of respondents in the South were from minority ethnic communities, compared to fewer than 10% elsewhere in the UK.

b. Using a Paid Solution

Respondents from the West were most likely to have recently completed a debt solution.

10.2 still providing solution

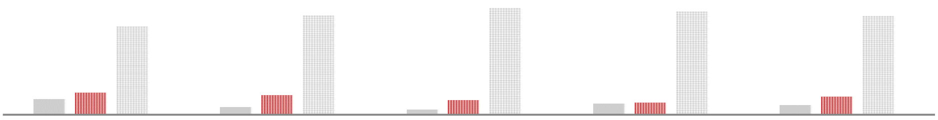


	North (137)	South (226)	East (132)	West (106)	all (601)
yes	87.6%	89.8%	88.6%	77.4%	86.9%
no - ended	12.4%	9.7%	10.6%	20.8%	12.5%

c. By Band

There were higher proportions of Band 1 respondents in the North and the West than in other regions. However, this finding may be skewed by limited membership of professional associations across the debt management sector and many more firms need to join associations to ensure that their impact on resolving debt is both monitored and recognized.

10.3 band

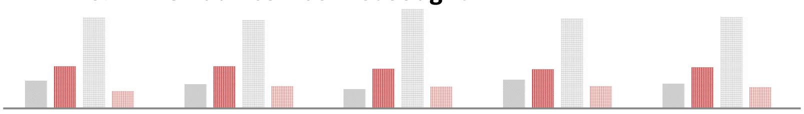


	North (137)	South (226)	East (132)	West (106)	all (601)
Band 1	12.4%	5.8%	3.8%	8.5%	7.3%
Band 2	17.5%	15.5%	11.4%	9.4%	14.2%
Band 3	70.1%	78.8%	84.8%	82.1%	78.7%

d. 1st Help Sought

An increase in recent advice seeking seemed to occur mostly in the North, although this may be connected to the prevalence of commercial debt management practice in the North West.

10.4 when advice was first sought

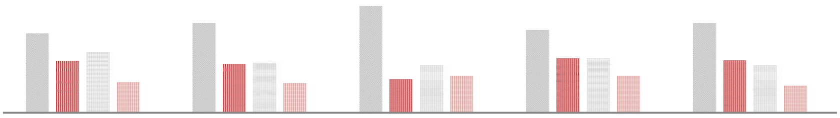


	North (137)	South (226)	East (132)	West (106)	all (601)
within the last year	15.3%	13.3%	10.6%	16.0%	13.6%
one but less than two years ago	23.4%	23.5%	22.0%	21.7%	22.8%
two but less than five years ago	50.4%	49.1%	55.3%	50.0%	50.9%
more than five years ago	9.5%	12.4%	12.1%	12.3%	11.6%

e. 1st Help Reasons

Respondents from the North seemed to be more afflicted by increased outgoings than those in other regions, whereas respondents in the West were more likely to report a drop in income as the main reason for seeking debt help, compared to other regions. They were also more likely to feel that overspending was a problem than other respondents.

10.5 reasons for first seeking help

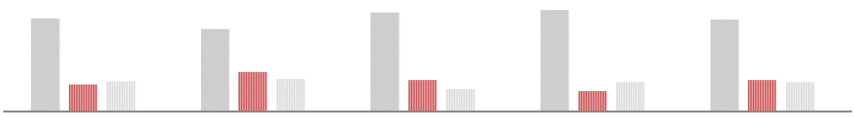


	North (137)	South (226)	East (132)	West (106)	all (601)
change in circumstances	34.3%	38.9%	46.2%	35.8%	38.9%
drop in income	22.6%	21.2%	14.4%	23.6%	22.8%
increased outgoings	26.3%	21.7%	20.5%	23.6%	20.5%
overspending	13.1%	12.8%	15.9%	16.0%	11.6%

f. 1st Help Sources

Respondents in the South were much more likely to shop around for help before entering a solution and to use free advice agencies. It is worth considering the significance of this with regard to deprivation across the UK, and more detailed mapping of advice seeking, solutions uptake and poverty indicators is recommended.

10.6 sources of help

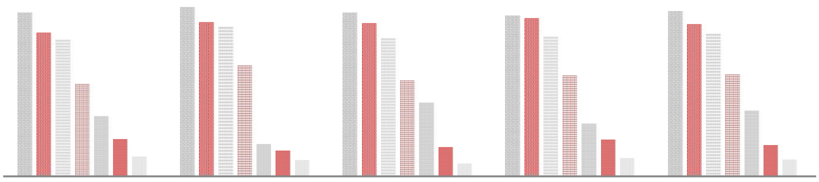


	North (137)	South (226)	East (132)	West (106)	all (601)
did not seek other help	56.2%	50.0%	59.8%	61.3%	55.6%
free advice agency	16.1%	23.9%	18.9%	12.2%	19.1%
bank / creditors	18.2%	19.5%	13.6%	17.9%	17.6%

g. Debtors' Experience of Creditors

Respondents in the South were less likely to have token payments refused by creditors than those in other regions. Again, correlation of indebtedness and poverty will help to ascertain the true extent and appropriateness of this and it will be important to implement such analysis to avoid acute levels of exclusion in the small pockets of disadvantage that exist across the UK.

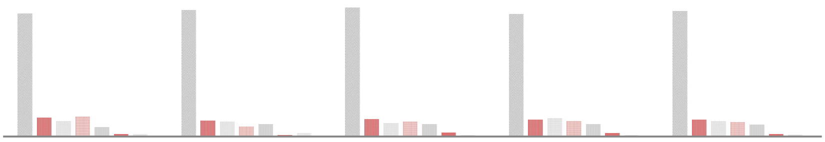
10.7 experiences before a solution by region



	North (137)	South (226)	East (132)	West (106)	all (106)
call or visits at unreasonable times	67.2%	69.5%	67.4%	66.0%	67.9%
notices of legal action	59.1%	63.3%	62.9%	65.1%	62.6%
same or increased interest, penalties & charges	56.2%	61.5%	56.8%	57.5%	58.6%
confusing communications	38.0%	45.6%	39.4%	41.5%	41.8%
token payments not accepted	24.8%	13.3%	30.3%	21.7%	27.0%
none of these	15.3%	10.6%	12.1%	15.1%	12.8%
money withdrawn from another account	8.0%	6.6%	5.3%	7.5%	6.8%

Respondents in the East were least likely to report ongoing creditor sanctions since entering a debt solution.

10.8 experiences since a solution by region

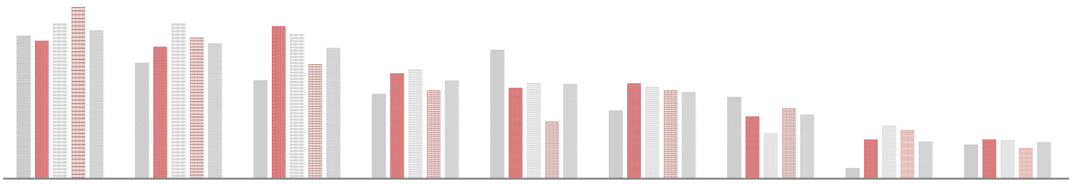


	North (137)	South (226)	East (132)	West (106)	all (106)
none of these	76.6%	78.8%	80.3%	76.4%	78.2%
notices of legal action	11.7%	9.7%	10.6%	10.4%	10.5%
call or visits at unreasonable times	9.5%	9.3%	8.3%	11.3%	9.5%
confusing communications	12.4%	6.2%	9.1%	9.4%	8.8%
same or increased interest, penalties & charges	5.8%	7.5%	7.6%	7.5%	7.2%
token payments not accepted	1.5%	0.9%	2.3%	1.9%	1.5%
money withdrawn from another account	1.5%	1.9%	0.8%	0.9%	1.0%

h. 1st Impressions from Initial Contact with DRF Members

Respondents in the East seemed most alert to important provider information like Licence numbers and examples of fees, whereas referrals and testimonials were more common in the North.

10.9 region by first impressions of provider



	DRF / professional standards	CCL number	adverts	fee examples	testimonials / referrals	overview of debt solutions	top of an internet search	clear contact details	they contacted me
North (137)	30.70%	24.80%	21.10%	18.20%	27.70%	14.60%	17.50%	2.20%	7.30%
South (226)	29.60%	28.30%	32.70%	22.60%	19.50%	20.40%	13.30%	8.40%	8.40%
East (132)	33.30%	33.30%	31.10%	23.50%	20.50%	19.70%	9.80%	11.40%	8.30%
West (106)	36.80%	30.20%	24.50%	18.90%	12.30%	18.90%	15.10%	10.40%	6.60%
All (601)	31.90%	29.00%	28.10%	21.10%	20.30%	18.60%	13.80%	8.00%	7.80%

i. Pre-contract

The highest pre-contract ratings were recorded from respondents in the North and the lowest from respondents in the West.

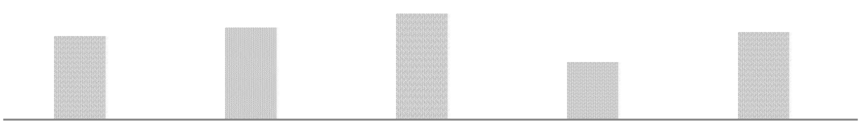
10.10 pre-contract ratings by region

	North (137)	South (226)	East (132)	West (106)	all (601)
I felt confident that they understood my circumstances	8.89	8.62	8.89	8.48	8.72
they explained the solutions that they could offer clearly	8.72	8.48	8.48	8.18	8.48
I felt they had my best interests at heart	8.64	8.37	8.67	8.09	8.45
the possible risks of each solution were explained calmly	8.30	8.06	8.38	7.80	8.14
I felt involved in choosing the best solution	8.39	7.91	8.42	7.49	8.06
I understood which fees applied to each solution	8.18	7.93	7.85	7.64	7.92
they explained priority and non-priority debts clearly	8.23	7.73	8.05	7.26	7.83
I learned about some other places to find help	5.35	5.04	5.10	5.48	5.20

j. The Proposal

Respondents in the East were most likely and those in the West were least likely to recall receipt of a written proposal.

10.11 proposal received by region



	North (137)	South (226)	East (132)	West (106)	all (601)
proposal	87.6	89.4	92.4	82.1	88.4

Lack of recall for written documentation amongst respondents in the West was further evidenced in accounts of items received with a proposal.

10.12 included in proposal	North (120)	South (202)	East (122)	West (87)	All (536)
statement: income, expenditure & surplus	5.0	3.1	1.8	5.1	1.9
details: repayment offer to each creditor	5.8	7.6	3.6	1.6	5.3
total cost: fees & repayments	6.7	4.2	86.1	8.2	4.2
warning: impact on credit history	0.0	1.7	78.7	8.2	82.3
warning: creditors' right to reject	4.2	86.6	7.9	73.6	1.9
estimated solution length	3.3	9.2	1.1	5.1	1.5
information - cooling off & how to terminate	3.3	5.7	7.0	0.1	6.8
how often updated on progress	5.0	8.2	3.8	74.7	5.9
information: priority debts / not included	2.5	7.3	3.9	0.9	66.7

k. **The Solution**

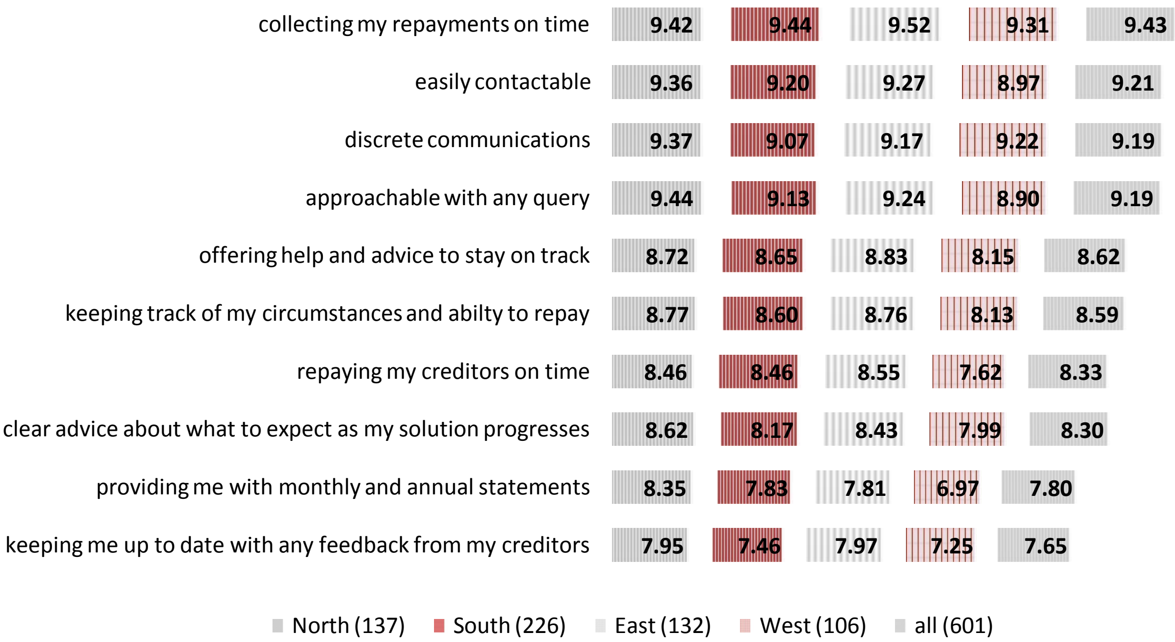
From responses to this survey, the uptake of IVAs seemed to be most common in the East and least common in the North, where DMP clients seemed to prevail.

10.13 Solution in progress	North (132)	South (226)	East (132)	West (106)	all (601)
IVA	8.9	26.5	8.0	25.5	24.8
DMP	2.1	59.3	0.6	50.0	58.1
recently completed	2.9	0.7	0.6	20.8	12.5
other solution	0.5	0.0	0.0	0.0	0.0

l. **Post-contract**

Respondents in the West also tended to give lower ratings for post-contract aspects of service, so further research to explore the reasons for this is advisable.

10.14 post-contract ratings by region



m. Financial Capability

At two to five percentage points higher than recorded for the sample as a whole, respondents in the East were most likely to report improved financial capability since entering their debt solution.

n. Conclusions

The tendency for respondents in the West to perceive some aspects of service less positively than those from other areas may suggest a need to check receipt of written proposals and statements after they have been sent. There is undoubtedly a need to start mapping indebtedness against local and regional deprivation and poverty indicators, because this survey provides some evidence to suggest that awareness and access to not-for-profit debt help may be more focused in the South. This could very well be due to a higher prevalence of indebtedness in the South, but without a comprehensive comparison of the drivers attracting clients to free and fee-charging advice and solutions regional trends remain hypothesis.

11. FINANCIAL CIRCUMSTANCES

At the end of the interview, respondents were asked about their circumstances before and since entering a solution. Throughout the survey, respondents had the option to decline an answer and it was in reporting personal financial details that this was most used, whether outright or simply by restricting an answer to a banded response rather than a finite amount. The averages reported below are for the subset of respondents, who gave a finite figure in addition to a banded response to each question, and there are no comparisons by gender due to the high proportion of couples sharing a debt solution apparent in this research. Banded responses were reported in *DRF Outcomes: Consumer Research – Provider KPIs*.

It is worth noting that fewer respondents shared current circumstances than circumstances on entering a debt solution, and that fewer than one in ten shared both income and borrowing levels before and since entering a solution. Even with a personal appointment for the case studies (reported in June 2012), some respondents perceived their circumstances differently to the information that they kept on file. Since the case studies echoed other research relating to the psychology of debt, closing the gap between actual and perceived circumstances may prove difficult. Responses to a telephone survey may not be as reliable as solutions providers' records because they depend on a willingness to recall often complex and emotive circumstances.

On this basis, the value of this analysis lies in its subsequent comparison with client base data held by DRF members and this requires a commitment to transparency regarding acceptable differences. In many respects, clients' awareness of a debt solution's progress and outcomes, whether they are paying for it or not, should be a core measure of its impact on their financial confidence, capability, recovery and ultimately, resilience. The engagement of debtors in formative assessment of their circumstances throughout a solution is critical to achieving sustainable outcomes and a key component of maintaining informed choice throughout the debt resolution process.

a. **Number of Creditors**

Number of respondents	At solution start	At interview	Both
recalling number of creditors	542	514	512

More than 85% of respondents could recall the number of creditors included both at the start of their debt solution and at the time of the survey. This subset is therefore large enough to make some reasonable comparisons across a range of demographics. Overall, the reported number of creditors had decreased by 0.94 since entering a solution with a DRF member, with smaller decreases in creditor numbers amongst those who had more recently entered a solution.

11.1 average creditor numbers	originally	at interview	difference
Band 1	6.21	5.85	0.36
Band 2	6.24	5.94	0.30
Band 3	5.60	4.53	1.07
IVA	6.58	6.42	0.16
DMP	5.62	5.35	0.26
recently completed	5.14	0.00	5.14
within the last year	5.05	4.97	0.08
1-2 years ago	5.25	4.84	0.41
2-5 years ago	6.01	4.84	1.17
more than 5 years ago	6.66	4.50	2.16
18-24	5.43	4.57	0.86
25-39	5.63	4.38	1.25
40-59	5.88	5.21	0.67
over 60	5.46	4.43	1.03
White British	5.83	4.86	0.97
Other	4.86	4.52	0.34
Mortgaged	5.97	5.44	0.53
Unmortgaged	5.37	4.17	1.20
private tenant	5.82	4.54	1.28
social tenant	5.30	4.10	1.20
living with friends or family	5.46	4.73	0.73
TOTAL SUBSET (512)	**5.76**	**4.82**	**0.94**

This analysis shows that respondents of minority ethnic origin were less likely to experience a contraction in the number of creditors than White British respondents were. Significant differences in other experiences of indebtedness and aspects of solution choice make it impossible to assert prejudice, just as it is impossible to assert this in relation to creditor actions. However, the extent of differences between White British and minority ethnic respondents to this survey is compelling evidence of the need to explore these issues further.

It is important to note that the contractions in creditor numbers outlined above may only be partially indicative of outcomes. Some respondents reported several of their current circumstances as being the same as on entering a solution and this was often the case when the respondent was in an IVA. The qualitative case studies also revealed that some people prefer to hand responsibility for their affairs to an adviser, choosing only to regain full awareness of their circumstances as a solution closes. The stark contrast in the contraction of creditor numbers between respondents who had recently completed a solution and those currently in one makes this hypothesis probable.

b. Solution Length

578 (more than 95%) respondents were able to state how long they had been in a debt solution. Overall, respondents to this survey had been in a debt solution for an average of 2.75 years. It was interesting to note the different average solution length between clients who had recently completed a solution and those still using an IVA or DMP, whereas there was little difference in solution length across other variables, other than by company band, where the length of time that firms had been trading was likely to have had a bearing.

Average solution length by tenure is a little more complex, because residence can change, especially among renters and lodgers. Thus, the average solution length for private tenants was high, despite apparently recent increases in advice seeking from this group.

11.2 average solution length	years
Band 1	2.1
Band 2	2.5
Band 3	2.9
IVA	4.0
DMP	2.2
recently completed	3.2
within the last year	0.0
1-2 years ago	1.6
2-5 years ago	3.8
more than 5 years ago	6.7
18-24	1.7
25-39	2.8
40-59	2.7
over 60	2.8
white British	2.8
Other	2.7
Mortgaged	2.6
Unmortgaged	2.3
private tenant	3.0
social tenant	2.8
living with friends or family	3.2
TOTAL SUBSET (578)	**2.75**

c. Income

Number of respondents	At solution start	At interview	Both
recalling income	196	191	170

196 respondents were happy to state their income on entering a solution and 191 were happy to state their current income - just under a third of the sample as a whole. On average, the 170 respondents who answered both questions with a finite figure were £29 a month worse off. However, these respondents were not representative of the sample as a whole and tended to have entered a DMP recently. Whilst the difference in average income for the 196 who gave a starting income and the 191 who gave income at the time of the interview is not an ideal measure it did show an increase of £66 a month. The impact of the job market on respondents' earnings is likely to be relevant.

By subset, some respondents seemed to have become better off than others, but these groups were too small to make robust assertions about increased or decreased incomes for particular demographic profiles of respondent. As mentioned previously, the potential mismatch between circumstances reported by respondents and DRF members' records requires comparison in order to understand it. Indeed, such an approach should be applied consistently across the debt sector.

The ideal of no gap between actual and perceived outcomes should be the aspiration of all debt professionals, making this an important target to set and monitor. It may well be that professionals never fully address some debtors' preference to avoid their specific financial circumstances until stability returns. However, there should be agreed zones of tolerance around acceptable and unacceptable levels of debt denial.

From the subset sample of 191 respondents, the current average annual income of a DRF member's client was £17,292, some £700 more per month than the average income of the free sector clients participating in the Money Advice Trust's *Channel Strategy Research,* conducted a few months before this study. This is further evidence that DRF members' client base differs significantly from that of not-for-profit providers.

d. Mortgage

Number of respondents	At solution start	At interview	Both
recalling mortgage balance	122	94	91

Across the sample as a whole, around four in ten respondents were homeowners with a mortgage. Respondents sharing the amount of outstanding mortgage, whether at solution start, interview or both, were considerably fewer than this. For the 94 respondents who shared a current mortgage balance, the average amount was £116,293, approximately 71% of the average house value in March 2012 (source: Nationwide House Price Index).

Again, subsets were too small to make robust assertions about increasing or decreasing mortgage balances, particularly because some respondents seemed to have acquired large mortgages since completing a debt solution. From the 50 respondents who knew both income and debt level at solution start and at interview, the average reduction in mortgage balance was £13,964. From the 170 who knew income at solution start and at interview, the average reduction in mortgage balance was £6,473. However, the calculation of mortgage reduction based on the average starting balance (base 122 respondents) and the average current balance (base 94) was £2,855.

The diversity of these averages indicates considerable potential for data to become skewed by small and inconsistent subsets. Moreover, it provides little insight as to whether respondents did not know or did not want to share specific financial circumstances. Ideally, clients' perceptions of how debt solutions affect their circumstances should replicate the records of professionals managing repayments, yet barriers to sharing specific financial information clearly exist. Until these are addressed for clients of both free to client and fee charging sectors, little can be gleaned about the pertinence of client perceptions and the standards achieved by each sector for meeting these.

e. Personal Borrowing

Number of respondents	At solution start	At interview	Both
recalling personal borrowing	265	90	87

Respondents were far more able to cite debt levels at the start of their solution than at the time of the interview, particularly if they were IVA clients. In total, 265 respondents were happy to share an exact amount at solution start, yet only 90 could give an exact amount at interview, and only 87 could give both. This lack of consistency reveals a potential mismatch between actual and perceived outcomes, and the cases studies (conducted at the same time as this survey) showed that the psychology of debt affects attitudes towards both the solution and the provider. It is important to distinguish such factors, if outcomes are to reflect clients' expectations and needs.

From the 50 respondents who knew both income and debt level at solution start and at interview, the average reduction in personal borrowing was £3,629. This subset was even more likely to include recent DMP clients than the 170 who only knew income before and since entering a solution. From the 87 who knew debt level at solution start and at interview, the average reduction in personal borrowing was £4,292. However, the calculation of debt reduction based on the average starting amount (base 265 respondents) and the average current amount (base 90) was £9,023. These averages equate to a monthly repayment range of £109.97 to £273.42, exclusive of fees.

Using the 265 subset as a base, the average starting debt of a DRF member's client was £25,056, more than £5000 higher than the average debt reported in the StepChange / CCCS 2011 Statistical Yearbook. Clearly, a more accurate comparison would be possible between provider records within an identical timeframe. However, average debt level is yet another finding to suggest that DRF members' clients have a different profile to clients of not-for-profit agencies. Since our market analysis revealed that 86% of IVAs and 67% of DMPs starting in 2011 are commercial, it is imperative we learn more about debtors who pay for solutions. DRF members are a minority of fee chargers who choose to share outcomes publicly.

f. Income to Debt Ratios

This analysis of respondents' financial circumstances has attempted to compare like with like. Above all, it has demonstrated the existence of barriers to sharing information consistently and in its entirety. Whether this is a phenomenon among fee-paying debt clients cannot be known until the wider debt resolution community participates in comparable research. This is an important action to take, because standards have no meaningful evaluation without incorporating outcomes from the debtor perspective. Clients' awareness of the effectiveness of a solution is perhaps their most important motivation for maintaining it.

For many, progression of the income to debt ratio to a zero balance is the ultimate indicator because it relates the capacity to repay with repayment demands. Tracking this ratio throughout the solution creates an indicator in which the actions of creditor, intermediary and debtor can become transparent, and the relationships between these mutually accountable. On the basis that debt resolution is primarily funded by creditor contributions or debtors who pay, there is a strong argument for providers sharing the average debt to income ratio by solution type and the actual ratio for a client's specific solution with each debtor and his / her creditors on a regular basis. Including clear notification of these figures in annual statements should help to improve clients' engagement with the repayment process, as well as combating some of the inconsistency in reported outcomes seen in this and other research.

For instance, in the Money Advice Trust's Channel Strategy Research, Policis reported income to debt ratios from responses within a range to questions about current monthly household income and debt level before seeking advice. These are not parallel timeframes and averages calculated from responses within a range are estimates – the result is a calculus error of approximate income now, relative to approximate debt then.

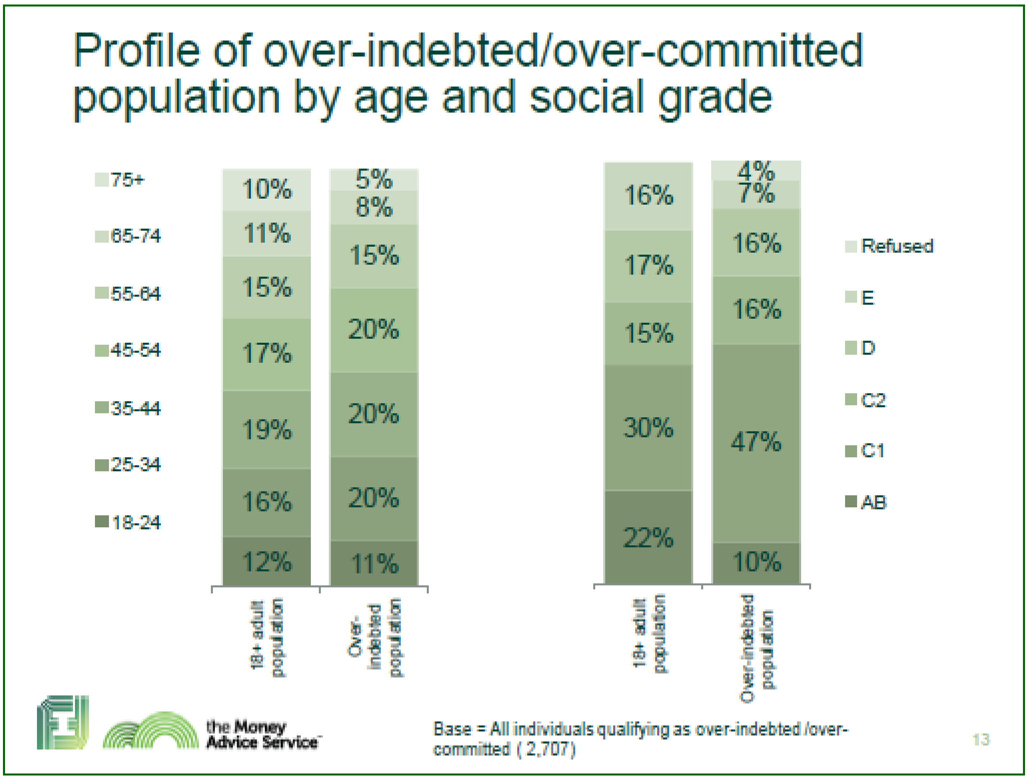
To be fair, our attempts to quantify average income and debt levels proved equally elusive because few respondents recalled or chose to recall all of their specific circumstances. Thus, when we calculated a current income to starting debt ratio, this was 1.45 for DRF members' clients, compared to a not-for-profit ratio of 1.15 reported by Policis. However, the calculation from starting income (base 196) and starting debt (base 265) gave a ratio 1.52, yet when we restricted the base to respondents who knew both income and debt levels before and since starting a solution (base 50), the ratio was 1.20.

The correct approach to calculating ratios must start with providers' records, at the point of advice seeking, again at solution entry and then at regular intervals from these points. Debtors should be encouraged to access these figures, so they can evaluate their progress from an informed position. Similarly, creditors who contribute to services through fair share or levies should be able to compare the performance of all advice and solutions providers, so they too can make informed choice about which of these to fund. Furthermore, just as OFSTED recognises the tougher challenges faced by schools with high proportions of pupils in receipt of free school meals, funding for debt resolution should recognise the achievement of agencies that work with the most vulnerable.

12. CONCLUSIONS

From this analysis of the demographic profile of survey respondents, it is apparent that DRF members' clients differ from those of free to client advice and solutions providers. Earlier in 2012, the Money Advice Service commissioned IFF research to conduct a survey of over-indebted individuals to explore *User Needs from Debt Advice*. Whilst the IFF sample included people who were not yet debt advice or solutions clients, the research was most informative in mapping a national profile of demand because it considered individuals who:

- viewed debt as a "heavy burden"
- had commitments on unsecured credit at 25% or more of gross monthly income
- had commitments on secured and unsecured credit at 50% or more of gross monthly income
- were experiencing structural arrears on credit commitments.



Immediately obvious from the comparison of respondents to this survey with the IFF sample was that where free to client providers are particularly effective at serving clients who are younger and less inclined to be socially and economically established, DRF members tended to serve an older, more settled population. More than two thirds of respondents to this survey were over 40, a similar proportion was in a relationship and just under half were homeowners (46%) and parents (44%).

It is possible, therefore, that the delivery of free and fee charging solutions meets somewhere in the middle of demand for debt help nationally. Most certainly, this hypothesis requires testing and it will become essential to the Money Advice Service's role to monitor the appropriate uptake of advice and solutions by over-indebted individuals and households. Indeed, the focus of this research on DRF members' clients may not be entirely representative of the fee-charging sector because, of course, a significant proportion of providers do not adhere to robust professional standards.

Despite the limitations of our focus, this analysis has considerable significance. For instance, the not-for-profit sector is currently experiencing considerable growth in demand from people who fit the dominant profile for DRF Members' clients. Earlier in 2012, StepChange reported that it expects 48% of its clients to be over the age of 45 by the end of 2014. Meanwhile, this survey indicates that DRF Members are experiencing an increase in demand from those in the 25-39 age range; a growing number of households, living in private rented accommodation with dependent children, and experiencing the impact of increased outgoings.

These shifts in demand are important trends to watch. This research provides strong evidence of client autonomy: many respondents were active advice seekers, performance ratings were high, and both are good indicators of informed decision-making. Of course, it is inappropriate to suggest that the uptake of free services is not informed. However, when a largely financially capable consumer population starts to shift from opting to pay for a service to using one that is free, we have to consider the prevalence of indebtedness as mainstream and the impact of this on national prosperity. The relationship between the uptake of free to client and fee charging solutions is an important indicator for managing demand, ensuring quality provision and, ultimately, effecting recovery.

That DRF members are starting to see an influx of clients from the "squeezed middle" is similarly significant: precisely because these clients form an economically active core within our society, it is essential that we observe how they choose to use debt solutions to manage a shortfall in the household budget. It was significant that the average solution length across respondents to this survey was 2.75 years, when Payplan reports an average of 9 years, for instance. It is increasingly unlikely that middle-income households are appropriately signposted because this research shows the inclination to shop around may be being replaced by a sense of urgency. Recent marketing trends seem fuelled by short-term lenders keen to promote the quick fix solution of "cash in your account in 15 minutes".

Recovery, not just at the individual or household level but more significantly at the national level, is dependent on a return to consumer confidence and spending. This makes the rehabilitation of debtors from the "squeezed middle" to mainstream financial services all the more critical. Regrettably, much of the evidence from this survey tends to indicate perceptions that creditors and collectors may have self-interest above that of the wider economy, with some respondents reporting sanctions that appeared to target specific profiles of debtor. This is particularly alarming given the extent of mis-selling, revealed since conducting this research.

The most disconcerting finding was the higher prevalence of sanctions both before and after entering a solution, reported by respondents of minority ethnic origin. Whilst this sample subset was small (8.5%), respondents came from a diversity of communities that do not have a common cultural perception of indebtedness. Furthermore, there were strong indications that these respondents were financially capable, active and discerning advice seekers, and this runs contrary to behaviours recorded in the accessibility of other public and third sector services. Perceptions of indebtedness as a consequence of overspending were also significantly more pronounced. However, whether higher incidence of sanctions relates to cultural differences or an unintended consequence of standardised collection procedures, the possibility of an institutional prejudice must be addressed.

Another principal demographic profile of debtors who reported high incidence of creditor sanction was home ownership: homeowners with mortgages were most likely to report increased interest, penalties and charges against accounts in arrears. It is worth noting that during some of the informal presentation of initial findings to professionals, one creditor suggested that this was unexceptional because "of course, they have an asset". However, many of these homeowners were respondents with dependent children.

It was pertinent that parents tended to be active advice seekers because this demonstrates a willingness and capacity for informed decision-making, which is a key attribute of financial capability. Indeed, given their responsibility to future generations and economically active role within our society, practices that may increase the burden of cash strapped families seem contrary to any attempt at recovery. It is fundamental to credit regulation, whether it pertains to responsible lending or a debt management protocol, that we monitor the treatment of debtors in relation to its impact on the welfare state. Similarly, it will become increasingly important to map levels of indebtedness and the uptake of support against local and regional deprivation and poverty indicators, because there is some indication that services focus on debtors in the South.

Despite being as sensitive as possible to individual needs, this research, like many other studies, suffered from a lack of reliable self-reporting when it came to detailed accounts of respondents' financial circumstances. Our parallel research into the UK market for debt solutions showed that the evolution of debt relief through an intermediary may create some welcome respite from the enormity of a debt problem, resulting in a semi- or sub-conscious forgetfulness of specifics. However, there is also the significant possibility that debtors, who feel overwhelmed by sanctions, become so stigmatized and lacking in self-confidence that they are unable to recall their outgoings with any certainty.

When we have embraced credit to the extent that we did in the first decade of the millennium, we have to accept indebtedness as integral to the credit cycle. To consign debtors to products and services that exploit their predicament, when they are more the can't pays of an economic downturn than the won't pays of hedonistic choice, is socially and economically unsustainable. This research demonstrates that

DRF Members serve a significant and capable proportion of the debtor population, who choose to pay for a service that they deem effective and reliable. The challenge for regulation must therefore be to recognise and protect such choice.

13. RECOMMENDATIONS

As recommended in our first report from this research sample, *DRF Outcomes: Consumer Research – Performance KPIs*, DRF Members need to continue engaging clients in their recovery from indebtedness. Most clients have exercised a conscious decision to choose a DRF member and there is merit in recognising their autonomy in active advice seeking with support that reflects common concerns. Thus, the creation of such initiatives as "family surgeries" will help to personalise and strengthen repayment relationships, adding credence to the argument that this subset of debtors is critical to recovery and warrants rehabilitation into the mainstream.

Similarly, debtors in the over 60 age range, who never expected to be caught out by a shortfall, are intrinsically motivated to repay, but may require a more personalised approach to debt management than free to client channelling allows. Measuring the socio-economic impact of supporting elder autonomy will not only demonstrate savings to the public purse, it will help to reveal the prevalent but relatively unnoticed practice of set off, which places traditional, loyal account holders at a disadvantage, when funds to repay debts are automatically transferred between accounts with the same provider. When creditors make an explicit commitment to treat debtors without prejudice, professional fee charging services, such as those delivered by DRF Members, need to hold such claims to account.

Similarly, the DRF has a role to play in protecting the interests of homeowners and in some respects, it has started this with its lobbying to have IVA completers recognised as financially responsible by the credit referencing system. In turn, members need to be aware of the continued vulnerability of social tenants, who may report satisfaction with fee charging providers, despite apparently limited reference to other sources of help. To safeguard sensitively against uninformed choice, and, more particularly, without assuming vulnerability where pride accepts none, we recommend that checks of advice previously sought are combined with signposting to other sources of help and support.

To conclude, it is clear that DRF members serve a small but significant proportion of debtors, who are integral to a strategic understanding of the wider trends in demand for debt advice and solutions. In focusing on professional standards, the DRF has set its membership apart from the unlicensed and non-compliant opportunists of adversity and they now need to chart and champion their contribution to economic recovery. DRF Members represent an important choice in the range of debt solutions available to consumers. They will not be the choice of all, because that is not their purpose. Their role is to advocate for capacity to exercise choice, this being integral to sustained financial capability.

14. APPENDIX - DRF CONSUMER RESEARCH QUESTIONNAIRE, V4 – final

Interviewers may ONLY speak to the named contact.
Hi, may I speak to [NAMED CONTACT] please?

If unavailable, thank and close. Continue with named contact ONLY.
Hello [NAMED COMPANY] has asked me to give you a call. It's [INTERVIEWER] from Zero-credit. [NAMED COMPANY] is helping a review of money support in the UK and would like your views. All companies that are members of the Debt Resolution Forum are taking part. I would like to ask you about your experiences of using [NAMED COMPANY]. We abide by the Market Research Society Code of Conduct, so anything you tell us is anonymous. My questions take about 10 minutes to answer. Can you help?

1) **Can I confirm that [NAMED COMPANY] is still providing your debt solution?** *ONE only*
yes
no, it has come to an end
no, I changed provider
prefer not to say
I have never used [NAMED COMPANY] > *thank and close*

2) **Even if you have stopped using [NAMED COMPANY] your answers could improve support for people in difficult circumstances. Are you still happy to help?**
Thank and close, or continue. Interviewers may make a more convenient appointment to call back, if preferred.
yes
no

3) **RECORD BAND AND UNIQUE REFERENCE NUMBER**
Band 1
Band 2
Band 3
_____

4) **Thinking back, when did you first decide to seek help?** *ONE only*

within the last year
one but less than two years ago
two but less than five years ago
more than five years ago
prefer not to say

5) **What was your main reason for seeking help at that time?** *ONE only*

a change in circumstances
a drop in income
increased outgoings
overspending
prefer not to say
anything else? ______________________

6) **Where did you seek help before using [NAMED COMPANY]?** *ALL that apply*

accountant / solicitor
bank / creditors
charity
employer / union

government /council
Money Advice Service (financial healthcheck)
prefer not to say
anywhere else? _________________
none of these / did not seek other help

7) **A) Which, if any, of the following did you experience from your creditors <u>before</u> having a solution with [NAMED COMPANY]?** *<u>ALL</u> that apply*

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
anything else? ______________________
prefer not to say
none of these

B) AND which, if any, of these have you experienced from your creditors <u>since</u> having a solution with [NAMED COMPANY]? *<u>ALL</u> that apply*

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
anything else? ______________________
prefer not to say
none of these

8) **Thinking about when you were first seeking help, which of the following did you notice about [NAMED COMPANY] <u>before</u> contacting them?** *<u>ALL</u> that apply*

they contacted me
they came top / close to top of an internet search
clear contact details
consumer credit licence number
DRF membership / professional standards
overview of debt solutions
some examples of likely fees
anything else? unprompted: awards
anything else? Unprompted: blog / forum
anything else? Unprompted: debt calculator
anything else? Unprompted: free advice
anything else? unprompted: testimonials
anything else? unprompted: other ______________
prefer not to say
none of these

9) **Using marks out of ten, how well does each of the following statements describe your <u>first contact</u> with [NAMED COMPANY]?** *<u>ONE</u> only for each statement*

1-10 prefer not to say DK/can't remember

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 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

10) **All debt professionals must provide a written proposal for the solution you choose. Did you receive a written proposal before agreeing a solution?**
yes
no
DK
Prefer not to say

11) **Which of the following did [NAMED COMPANY] include in your written proposal?** *ALL that apply*
yes prefer not to say
DK/can't remember
a statement of your income, expenditure and any surplus, as verified with you
details of the repayment offer to each creditor
information about priority debts, or debts not included in the solution
a warning of creditors' right to reject some or all of the solution
the total cost of the solution, differentiating monthly repayments and any fees
the estimated duration (length) of the solution
how often you and your creditors would be updated on progress
a warning about the impact of the solution on your credit history
information about a cooling off period and how to terminate the solution
*none of these / no written proposal

12) **Which solution did [NAMED COMPANY] (a) originally recommend? (b) and which do you have now?** *ONE only*
(a) originally
(b) now
Debt Management Plan
IVA
Bankruptcy
Debt Relief Order
Trust Deed
Sequestration
Debt Arrangement Scheme
Debt Elimination (eg total write off)
don't know / can't remember
other ______________________
none
prefer not to say

13) **Using marks out of ten again, please rate [NAMED COMPANY] for each of the following, since agreeing a solution:** *ONE only for each statement*
1-10 prefer not to say DK/can't
remember n/a
clear advice about what to expect as my solution progresses
keeping me up to date with any feedback from my creditors
collecting my repayments on time
repaying my creditors on time
keeping track of my circumstances and ability to repay
offering help and advice to stay on track
providing me with monthly and annual statements

discrete communications
easily contactable
approachable with any query

14) **Any other comments about your experience of using [NAMED COMPANY]?** *Record everything except "no / not really"* *VERBATIM*

____

15) **Since using a debt solution, would you say that you are better, worse or about the same at:** *ONE only for each statement*

	better	worse	about the same	prefer not to say
managing your money				
planning ahead				
choosing suitable financial products				
finding financial advice and information				

And finally I'd like to ask a few questions that help us to compare your experiences with those of other people in difficult circumstances. If you prefer not to answer a particular question, that's fine. Whatever you are happy to tell me does help.

16) **How would you describe your housing status?** *ONE only*

Outright home owner
Mortgaged home owner
Private tenant
Social tenant
Other? ___________________________
prefer not to say

17) **May I ask your age, or if you prefer, your age group?** *ONE only*

18-24
25-39
40-59
over 60
prefer not to say
_____

18) **May I ask your ethnic group?***ONE only*

White / White British
Mixed / multiple heritage (inc British)
Asian / Asian British
Black / African / Caribbean / Black British
Other
prefer not to say

19) **Are you?** *ONE only* single in a relationship prefer not to say

20) **Do you have dependent children?** *ONE only* yes no prefer not to say

21) **To the nearest full year, approximately how long is it since you entered your solution?** *Round to the nearest full year and enter as a digit. PROMPT* **e.g less than six months = 0, more than six months = 1, 18 months or one and a half years = 2 etc.**

____
don't know / unsure

prefer not to say

22) **Approximately how many creditors were included in your solution (a) originally (b) and how many are included now?** *Enter digit*

(a) originally **(b) now**

(a) originally	(b) now
______	_____
don't know / unsure	don't know / unsure
prefer not to say	prefer not to say
	none / not applicable

23) **To the nearest ten pounds, what amount of monthly take-home pay was included when you entered your solution (a) originally? (b) and what amount is included now?** *Enter verbatim without £ or commas e.g. "two thousand pounds" becomes 2000*

(a) originally	(b) now
______	_____
don't know / unsure	don't know / unsure
prefer not to say	prefer not to say
	none / not applicable

24) **To the nearest thousand pounds, how much was your outstanding mortgage when you entered your solution (a) originally (b) and how much is your outstanding mortgage now?** *Enter verbatim without £ or commas e.g. "eighteen hundred pounds" becomes 2000*

(a) originally	(b) now
______	_____
don't know / unsure	don't know / unsure
prefer not to say	prefer not to say
	none / not applicable

25) **Again to the nearest thousand pounds, what amount of personal borrowing was included when you entered your solution (a) originally (b) and what amount is included now?** *Enter verbatim without £ or commas e.g. "two thousand pounds" becomes 2000*

(a) originally	(b) now
______	_____
don't know / unsure	don't know / unsure
prefer not to say	prefer not to say
	none / not applicable

26) **And finally, someone from Zero-credit may wish to check that I have recorded your answers accurately and professionally. Are happy for us to get in touch again to do this?**

yes
no

THANK AND CLOSE

27) Record unique reference number for quality control ____

28) Record Gender male female

29) Record two character postal reference for coding ____

East Anglia
East Midlands
Greater London

North
North West
Northern Ireland
Scotland
South East
South West
Wales
West Midlands
Yorkshire & Humberside

If more explanation is required at any time during the interview:
[NAMED COMPANY] is a member of the Debt Resolution Forum, a professional association that promotes high standards of customer care. [NAMED COMPANY] takes your experience of using their service very seriously, which is why they are a member of the Debt Resolution Forum. All members of the Debt Resolution Forum have asked us to contact clients about their experiences of using each company. In line with the Market Research Society Code of Conduct, only Zero-credit is allowed to know who takes part and your answers cannot be traced back to you.

If the respondent wants to add more detail or opinion to the ratings questions:
I can record other important opinions a little later on. For now, these questions focus on aspects of service that are of equal importance to all members of the Debt Resolution Forum.
30)

Zero-credit Ltd
17 Ashby Road
Moira
Swadlincote
DERBYSHIRE
DE12 6DJ