

## SOCIAL SECURITY AND SOCIAL JUSTICE COMMITTEE

18 NOVEMBER 2021

### Informal focus group discussions on poverty and debt

**Committee Members in attendance:** Neil Gray, Jeremy Balfour, Miles Briggs, Foyso Choudhury, Pam Duncan-Glancy, Marie McNair, Emma Roddick and Evelyn Tweed.

The meeting took place on Zoom.

### Session 1

The Committee began by meeting with people who work closely with people experiencing problem debt and poverty. 4 people attended this session from Citizens Advice Bureau, Money Advice Scotland, StepChange and Christians Against Poverty.

Members explored a range of issues with these frontline workers and the following points were raised during discussion:

### Access to advice and support

*One elderly man made a journey to court each week to make a payment of £2 towards his debt. He didn't have the knowledge or ability to access online services such as banking.*

- When everything moved to digital some organisations had issues adapting. COVID-19 forced a shift in the delivery of debt services with a move away from face-to-face advice to more telephone and email services.
- This disadvantages people without digital devices and those who are unable to access these services. The pandemic has exacerbated digital exclusion and created an "internet underclass".
- More resource is required to support digital inclusion workers.
- Digital access is not just about video calls, it is also about accessing your information online, including energy accounts and bank statements. You need digital awareness and confidence to log into portals and many people are worried about losing their passwords or their information being hacked.
- There was pressure on services to offer video calls during the pandemic but actually, not a lot of demand for this. Low income clients rely on limited data packages on their mobile phones for this. They'd rather use the data to speak to friends and family or do other online tasks.
- The confidentiality of digital services can be an advantage if people are embarrassed accessing in-person services.
- There is a lack of awareness among clients that free debt advice services exist.
- People who are experiencing financial problems can feel embarrassed about their situation and therefore don't access help or delay seeking help.

- There is inconsistency in the advice services available in different geographies, as well as awareness of these services.
- Mental health can be a barrier to accessing support as can knowledge about the support available.
- One adviser said that most of her clients were people over the age of 50 who have mental health difficulties. The debt problems that they are experiencing are not new, but are caused by mounting rent, council tax and energy bill arrears.
- One adviser said that some of their clients are younger. There are more people in a lot of financial flux, moving from being in bankruptcy to starting and stopping work. It is not unusual for people's circumstance to change, but now it seems to be constant change.
- There is a real gap for single adults of any age as they have no one else to rely on financially or emotionally. One adviser said they spend most of their time with single adults or single parents with children.
- Some advice services are resuming face-to-face services but not all clients are comfortable with this because of COVID-19. This can include home visits. Some other organisations have not held any drop-in services since the beginning of the pandemic. This was a concern to some of the money advisers who felt that people who have been clients for years, through drop-in sessions have not been supported during the pandemic. They are unable to access online services, cannot navigate the appointment booking system and have not been contactable by phone, which is concerning.

*Clients have said, "we thought about getting help but didn't know where to start."*

- It would be helpful if creditors could be more lenient in giving time to those who are unable to access online services. Digital should not be the default among creditors.
- Some advisers are seeing an increase in referrals to their services through national partnerships, which didn't happen before.
- It would be helpful if there was better signposting through the benefits system. For example, if you receive Universal Credit then you could be sent a text message which says, "if you are struggling to budget or are in debt then contact the following free debt advice agencies for help".
- When people do seek debt advice many turn to internet search engines where sponsored adverts for paid debt advice direct people to services which are not free or trusted. These websites often use similar names to more well-known free advice services. This perpetuates the misunderstanding that you need to pay for debt advice.
- There needs to be more simple bite sized information available. Documents are text heavy and difficult to understand. People suffer from information overload anyway at the point they seek advice.
- Some people delay seeking support because they are optimistic that they will be able to resolve their problems themselves ("next week I'll have a job and it'll be fine"), others delay through fear ("everyone will come after me if I speak to one creditor") and some just prioritise other things e.g. they are fleeing domestic violence, getting access to children through courts, focusing on

feeding family. "People get pulled in a hundred different directions. Life just happens to them."

### Low income

- Low income can impact people's ability to access services in many ways. People can be unwilling or wary of seeking phone or video chat advice as they are worried about using their limited phone data or minutes.
- Creditor telephone lines tend to be open from 8am – 8pm, but many people only get free landline calls after 7pm. This impacts their ability to contact the creditors. Clients experience similar challenges accessing DWP helplines.
- Although helplines may be free, people are worried about staying on the phone for an hour, it not being free, and then realising they have no minutes left or they are facing a large, unexpected phone bill. There is nothing on the caller display to indicate that it is a freephone number. Creditors should operate automatic call-back systems.
- Many things can lead to problem debt including rent, council tax and energy bill arrears.

*"For clients it is a choice between, do I pay rent, or do I buy my child shoes?"*

- The client base has changed. People used to have money to pay debt if they were given the right budgeting support, but now clients have such low income that they cannot afford all their expenditure.
- One adviser described a client who spent the extra £20 Universal Credit uplift on food, but now it has been removed they are struggling despite working-full time.
- Some clients were unaware that they were receiving the £20 Universal Credit uplift, so then had no idea why it went away.
- One client was able to pay their gas and electricity debt when they were receiving the £20 uplift but has now had to enter bankruptcy. Universal Credit has gone down and gas and electricity bills have gone up.

*"A lot of people fall into debt due to change of circumstances like a relationship breakdown, bereavement, losing a job or having a child. People don't decide to spend, spend, spend and then be in debt. The idea of wilful debt is a myth - certainly in the clients I see."*

- One adviser said that they have never seen more than one or two people who have willingly got into debt in the 16 years that she has worked in the sector.
- Some clients didn't understand the online journals for Universal Credit. They didn't realise that their entitlement had increased because the housing element was no longer being paid direct and they had to pay their rent from that money.
- People are actively encouraged to take on debt through buy now pay later schemes. These are being offered till side (through Klarna and store cards) in

a very casual manner and could impact people who wouldn't normally find themselves experiencing problem debt. One client had been using a buy now pay later services to pay for food. Irresponsible lending must be mitigated.

### **Impact of the pandemic**

- The demographic of some of the people who have newly experienced problem debt during COVID-19 is different and therefore advertising support services in existing places is unlikely to reach them.

*"It is a long day when you have client after client on the phone who don't know where to turn. People have sat on their debt problems for 18 months as nobody was coming to their door. Now the calls and letters are starting again, and they are panicking."*

- For many, mental health difficulties have been exacerbated by the pandemic. Where clients would have previously completed paperwork or provided information in a few days, it is now taking several months. They are overwhelmed by the number of forms needed. They can't cope with contacting housing officers and offices are closed so they can't go in for help.
- One adviser said that mental health among clients has become so poor during the pandemic that many cannot cope with having a conversation with an adviser. Despite streamlined processes where documents can be photographed to make processes simpler there are many who cannot engage due to mental health.
- In ways the pandemic acted as an equaliser. People on low incomes could not afford to go anywhere or do anything before the pandemic, but during lockdown everyone else was in the same position. Now people on low incomes are receiving less money and everyone else is beginning to re-join society. This has made many clients feel more vulnerable than before. Losing the £20 uplift means that some people are cold and hungry and isolated.

### **What would help?**

- Advice must be accessible and offered through multiple different routes.
- Improvements to the accessibility of information offered by creditors as well as more support through automatic call backs.
- Tokens or other support with data and call charges to help people access services and advice or telecom providers could waive charges for accessing reputable and credible money advice services.
- More early intervention would be a positive step. An increase in referrals through services like housing access teams, social work and tenancy support would help people gain the right support earlier. Need to stop waiting for a crisis like the threat of homelessness for these people to be referred to advice and support.
- Some participants felt that a national campaign or leaflet could help raise awareness of the free support available, but others thought this could be mistaken for junk mail.

- Signposting to free debt advice services through the benefits system and Council Tax letters.
- Irresponsible lending must be mitigated.
- Debt clients should be referred to mental health services where appropriate.

## **Session 2**

Following discussion with frontline workers and debt advisers, the Committee members split into pairs to join the breakout groups. These breakout groups were designed in partnership with different organisations. Each group had people who were there to tell their story about low income and debt. They were joined by a facilitator from the partnership organisations, 2 Committee Members and Scottish Parliament staff who were taking notes. Some also had support workers to help participants feel more comfortable.

### **Group 1 – Citizens Advice Scotland**

Group 1 was facilitated by Citizens Advice Scotland. In the group there was a facilitator, 2 people with lived experience, 2 support workers, 2 committee members and a notetaker.

The following points were raised during discussion:

#### **Nature of debt building**

*"I'm shattered when is this situation going to end."*

- One person had a family business which was decimated by the pandemic. Brexit caused delays in accessing materials and the cost of materials more than doubled. This impacted their ability to generate income. Initially they turned to credit cards and had challenges accessing grants and the furlough scheme for financial support. When their credit cards 'maxed out' they took out additional loans. The debt spiralled, and they have a family to support. They were advised to take a payment holiday from their mortgage, but their credit rating plummeted as a result. This has impacted on their ability to access other loans and support.
- The other person had built considerable debt about 20 years ago and is still dealing with this debt and trying to repay it.

#### **Difficulty in accessing appropriate advice**

- It is difficult to know where to access advice. One participant said, "It is hard to find the right door". They felt that they'd been passed around between services. Organisations would take the time to share information, but then they would be told that their circumstances meant they weren't the correct organisation to speak to.
- Both participants said that debt advice services were overwhelmed, and one said that as a result they found it difficult to get someone to speak to.

- One individual said that more needs to be done to advertise money advice, so that people know that there is support for them.

### **Importance of debt adviser**

- The advice received and ability to find a way forward depended on the debt adviser.
- “Sometimes I felt like I was robbing Peter to pay Paul”. A Debt Arrangement Scheme was put in place that resulted in a manageable payment plan being established with creditors. “If a debt adviser wasn’t there sorting this out for me I don’t think I’d be here today, they fought my corner.”

### **Negative impact on mental health**

*“I just panic about bills coming in all the time. I internalise it and don’t discuss it with anyone.”*

- One individual said that money advice and mental health support services should be linked.
- As a result of debt one individual has suffered a breakdown, has anxiety and has self-harmed.

### **Impact of debt on daily life**

- The boiler broke and the family was without hot water and heating for several weeks.
- Poverty becomes ingrained in your mindset and it feels like “You don’t deserve to spend that money”. The focus is on buying things that cost less than £1 and on bulk buying items.

### **Lack of in-person services**

- It is difficult to build relationships between debt advice services and individuals accessing support when it is just over the phone.
- Access to services varies between different local authorities since the pandemic. An example was given of a local authority that hasn’t had a Council Tax phonenumber service since March 2020 and response to emails is very slow (a 7-week wait for a response was experienced).

### **Harassment by creditors**

- Individuals described receiving numerous phone calls from creditors with no caller ID. They tended to answer the calls as it could relate to work or care of a relative.
- Some felt like creditors were “picking on” individuals. They spent half their day arguing on the phone with creditors who were demanding to know when their situation would improve.

- There was concern that cases of this type of harassment have risen in the pandemic. Debt advisers increasingly having to flag up to private creditors the regulations under the Financial Conduct Authority.
- One person said that they would sometimes self-harm after conversations with creditors.

### **Debt and Mental Health Evidence Form**

- There is a Medical Health Evidence Form which is used as a way to disclose to creditors if individual's have health concerns. The hope is that this triggers additional support. However, the form is voluntary and has 'no bite' if creditors chose to ignore it.
- Some creditors ignore the form and request further health information and details on when the individual will get better. Some creditors request full medical reports, which some GPs will charge for.

### **Group 2 – Poverty Alliance**

Group 2 was facilitated by Poverty Alliance. In the group there was a facilitator, 5 people with lived experience, 1 support worker, 2 committee members and 2 notetakers.

The following points were raised during discussion:

#### **Circumstances leading to debt**

- One person was working in early years support but had to leave her job as she was paying over £800 on childcare for her own child to work looking after other people's children. This was causing debt. During lockdown increased gas and electricity bills caused additional debt. She was unaware that because there were insufficient funds in her account, the direct debit which was supposed to pay the energy bills had been cancelled. Energy bill arrears had mounted. Fife Gingerbread helped her realise what was happening with her finances.
- One person first experienced debt when she was in an abusive relationship. Her partner took out credit cards in her name using an e-signature and then left when she was pregnant. Debt has increased now that she is a single parent and not in work.

*"I am not living, just existing."*

- One participant's debt began in 2017 when she had no recourse to public funds due to immigration. In the same year she got leave to remain but was living in poverty due to a lack of job opportunities. In 2018 she started working in retail, but there was no support for housing costs. She has an autistic son and chronic pain due to a spinal fracture. She struggled to access council tax rebate and rent support. There was a lack of accessible information. She found rent arrears were mounting despite working 16 hours per week. She got

a place at Glasgow University and is now a student. Following debt advice, she stopped working and is paying £20 a month towards £2000 rent arrears.

- One participant acquired a brain injury and lost his job. He lives by himself. He couldn't get information about council tax rebates or rent support in an accessible format and felt that he was constantly 'battling' his local authority to provide accessible information. He wasn't aware of how benefits worked and what he was entitled to. Between the inaccessible information and errors assessing his Universal Credit claim he ended up in debt. He feels that he is operating in a system where disabled people need to adapt to the system, rather than having a social security system which adapts to the clients. The situation hasn't improved. He feels that he didn't get into debt on his own, he got into debt because of a broken system.
- One participant said that she looked after the children and her partner was responsible for the bills. Following a breakdown of the relationship she was left with council tax and other joint costs. The creditors will not pursue her ex-partner, she is left to pay it all.

*I asked someone at the council, "how can it be that I'm worse off now that I have a job"? She shook her head and said "that's just how things are. That's the way it is".*

- One participant said that she was financially worse off in work than she was out of work.
- The debt adviser looked at one participant's finances and advised that she would have more money if she was a full-time student rather than working. She moved into an unfurnished house with thin carpets and an unfinished kitchen. She has been there for 4 years and has only just saved enough money to buy a fridge. She has joined a credit union and saves £20 every week to put money into the house. She is staying in Sanctuary Housing which is £22 a month. This is paid for from her Universal Credit budget loan. She has a lawyer looking at why she has not been able to get Student Award Agency Scotland (SAAS) funding as a full-time student. She is now in 4<sup>th</sup> year at University and the issue with SAAS still hasn't been resolved.
- She applied for the welfare/crisis grant to help with furnishing her house due to her circumstances as a single parent with an autistic child. She experienced domestic abuse and "has nothing other than clothes" but was told that she didn't qualify for assistance. She borrowed money from a family member to buy furniture. When she moved to her house she had an 8-month child who was learning to crawl. She appealed the crisis grant decision as she only had a cot, but it was denied. She couldn't understand why the help wasn't given, forcing her into debt with family members and creditors in order to set-up a home. She now gets NHS nappies for her son. The waiting list for moving to a new house is so long that her only hope is to get a better job once she has finished studying.

## **Accessing advice**

- Your debt needs to be over £5,000 to qualify for a Protected Trust Deed. When one participant sought advice about her debt, she was advised to get the extra £430 debt in order to qualify for a Protected Trust Deed. She is now making payments of £1 and is concerned that she will be paying off this debt for the rest of her life.
- One participant could not access advice and documents in an accessible format. Glasgow Disability Alliance (GDA) was helpful and supportive. He has been campaigning for 20 years for information from local authorities to be in email or braille, but it still isn't resolved. He said, "without groups like GDA I don't know how it would have ended." He has been told the IT systems are incompatible with domestic use and they hope for this to be resolved by 2022 but has no faith that this will be the case as he's been asking for so long.
- Several participants said that it is difficult to know what benefits you are entitled to. Many people don't know how to fill in the forms. One participant now volunteers to help others navigate the welfare system.

### Low income

*"When you're in poverty and in debt you have no money to put anywhere, you rob Peter to pay Paul."*

- People aren't always aware of how to manage their Universal Credit. One participant said that she has helped lots of people where calculations haven't been done properly and people aren't getting what they are entitled to. She felt that there is a lack of training for case managers who are not managing Universal Credit accounts properly.
- When you are living hand to mouth there is no income to offset the debt.

*"People must decide if they're going to put fuel in their car to get to work or put food on the table for their children."*

- Being in poverty (whether on the line or destitute) encourages you to get into debt as there is no help to get out of that situation without getting into more debt. By sudden changes of circumstances, you are almost encouraged to get into debt to make the situation better. You are constantly fighting against a system that has no leeway.

### Impact of the pandemic

- People who were in poverty before the pandemic have been living like this forever. Constantly fighting a losing battle and there is little to no help.
- The worst thing about the pandemic has been moving everything online. This has made things even more difficult for people living in digital poverty. Sometimes people can speak very good English but can't read it as it's not their first language. It can be difficult to identify fraudulent links.

*"The pandemic has made it a lot more difficult to get compassionate people on the phone. You call up, explain the situation, go through the expenditure sheets, people reply 'well there are a lot of people in your situation because of the pandemic'. I feel like I'm just a number and it's very dehumanising. I've gone from popping in for drop-in advice while I'm in town and being treated like a person to being treated like a statistic."*

- You can wait in a long phone queue to get advice from a debt support service. Although organisations like Citizens Advice offer to call you the next day, sometimes the issue is too urgent to wait. One participant said that her energy supplier got her an advice appointment with a Citizens' Advice Bureau in England as her local services were so busy and she couldn't get same day support in Scotland.
- One participant said that she was worried about her son living on Universal Credit. He didn't have access to the internet and didn't have the ability to apply online. He was unaware of what help he could get. She looked into the Crisis Grant for him, but the process was quite long and very overwhelming. The process needs to be made easier.
- One person said that they are worried about things returning to normal. As a disabled person they have been unable to access their electricity usage during the pandemic and are worried about what the bill will be.

### **What would make things better?**

- I would like to see someone in every GP surgery who has the knowledge to advise people on the welfare system and offer debt advice.
- We need a greater understanding and use of the social model of disability. Amend the delivery of services and support so that the needs of disabled people are met.
- Protected Trust Deeds should not have a minimum debt of £5,000. Circumstances should be considered. Any debt can be crippling.
- It would be helpful to have a centralised information portal rather than using search engines and jumping between websites for information. This information should be under one umbrella and easily accessible for everyone.
- Education on debt should be taught in school through money management classes. This should include budgeting.

### **Group 3 – Christians Against Poverty**

Group 3 was facilitated by Christians Against Poverty. In the group there was a facilitator, 4 people with lived experience, 1 support worker, 2 committee members and 1 notetaker.

The following points were raised during discussion:

#### **Circumstances of debt**

- One participant's debt problem came from an alcohol problem. When he was working, he felt invincible. It was easy to get loans. He was using payday lending. However, his working pattern meant his alcohol problem worsened. When he sobered up, he realised things were worse financially than he had realised, and he needed to get help. He noted that, he had a much better quality of life now, where he was able to concentrate on the important things, like time with his children, which he didn't care about when he was an alcoholic.
- One participant had a premature baby, which meant she was in and out of hospital for years. She focussed on her child and put everything else on hold. She was also in an abusive relationship. She had a mental breakdown and wanted to end her life, so she was admitted to hospital. Her ex-partner wouldn't let her seek help for debt issues. She got help from Christians Against Poverty, which became her "safe place".
- One person lost his job and got depression several years ago. He started his own business but wasn't in the right frame of mind. He ended up undercharging and losing money. Because he had been self-employed, he didn't think he qualified for social security benefits. He was living on hand outs from friends. He was also stung by being a guarantor<sup>1</sup> for a friend for a significant sum of money, with the friend not keeping to their commitment to pay it. He discussed his embarrassment at being a mature adult unable able to control his own finances. He began to shut himself off from other people and was planning to commit suicide.
- One participant described how she had always worked – she was a workaholic. But her partner was an alcoholic and spent all her money. She also found out she was pregnant. At this point, her employer cut her hours back to her contractual minimum<sup>2</sup> (16 hours per week, as opposed to the 40-50 she was working). She also developed ill health. She left the relationship and found herself caring for a young child on her own, with ongoing health problems which meant that she couldn't work.
- One participant was working at a nursery, but by the time they'd paid for childcare for their own child they were only £11 better off. They didn't think working was financially worthwhile given all the time that they were losing.

### **Barriers to accessing support**

- All participants discussed the stigma and shame around having problem debt.
- One noted that she previously had the type of job that meant she was a known face in the community – she was ashamed to admit she needed help financially. One noted that, having worked all his life, he felt embarrassed at not being able to manage his finances.
- Both female participants discussed stigma related to being single parents.
- Two participants had come to Christians Against Poverty via connections to local churches and word of mouth in their local community. One had been referred to Christians Against Poverty via a Department for Work and Pensions worker when he was signing on and the other through a food bank.

### **Low income**

- All participants highlighted the impact the loss of £20 a week from Universal Credit was having on them.
- One participant noted that people had commented that she dressed well, so couldn't be too hard up. However, all her clothes come from charity shops. She has to travel long distances by bus to get to the shops, including shops like Poundland, which is exhausting.
- Reliance on food banks for food requires travel and organisation, which is tiring.
- One participant noted that she was panicking about Christmas. She was never going to be able to afford much for her son, but the loss of £80 per month from Universal Credit was hitting hard, especially with increasing gas and electricity bills. She was worried that she wouldn't be able to buy her son a present at all.
- One participant noted that he hadn't given his grandchildren presents for several years now.
- Difficulties in heating a home. This had a particular impact on the participant because of specific health problems. He sits in his kitchen working out what he can pay for this week, and what needs to wait until next week.

*"It is hard bringing up a child on a very low income. How can you give someone the best when you've got nothing? I buy fruit and vegetables for my son, but it means that I have to go without."*

- Fresh food costs too much. The health advice is to eat better, but you need more money to do that.
- Childcare is expensive. One participant said that she'd like to work, and she thought it would be better for her son and for society generally if she did work, but she couldn't afford to. She was concerned that her child was not developing as well socially as other children, because he did not attend any child care and because of the lack of informal childcare options during the COVID-19 pandemic.

### What would make things better?

- **A better referral system** – one participant suggested all the organisations which support people should get together to agree a signposting manual. This would cover debt advice, but also other issues [such as employment support, health support, addiction support, social support]. This would prevent people being worn out by the process of trying to get help. The group agreed that everyone had a different set of problems so needed different help.
- **More government support with childcare costs** – so that single parents could access work more easily. One participant suggested that single parents could get a specific reduction, so that they only paid a certain proportion of their childcare costs, in recognition of the fact that they only had one source of income from work.
- **Money management education for children** – so that children learnt how to handle money better from the beginning.

- **Empathy** – one participant commented that what was lacking in society generally was empathy for other people’s situations. This was something everyone could work on.

**Group 4 – StepChange and One Parent Families Scotland**

Group 4 was facilitated by StepChange and One Parent Families Scotland. In the group there was a facilitator (from StepChange), 6 people with lived experience, 1 support worker, 2 committee members and 2 notetakers.

The following points were raised during discussion:

**Circumstances of debt**

*“I took more credit to pay credit.”*

- One participant had a baby during lockdown. She felt isolated and panicked, doing lots of shopping online using credit. She bought gifts for friends and family to make them happy. She works 3 days now, so the debt is worse than when she worked full-time. She was worried that she could no longer provide for her daughter and sought help. She used internet search engines to look for advice on ‘money worries’ and was looking at Protected Trust Deeds on ‘Trust Deed Scotland’. This website was very keen to get her business, but charged for their services. Her husband suggested StepChange.

*“It made such a difference speaking to someone who wanted to help me, not make money out of me. They actually listened.”*

- Another participant said that they used to have a credit card but worked full-time and always paid it back. The debt started when she fell pregnant and started buying things for her daughter. She became stressed, stopped paying the credit cards and the debt mounted. She bought her Mum’s house and took on her debt. The problems became worse when she started working and was struggling to pay council tax and child care. Working increased the stress.
- One person was a single mum with 2 children, aged 7 and 4. She is struggling to get a job. She has no family in Scotland and is trying to get a job. She has been here for 4 years and has been to the Job Centre but can only get a job for 6-hours a day which isn’t enough income. Working and arranging childcare is very difficult on a low income.
- The impact of the cut in Universal Credit was discussed. One participant was under 25 years old and said that meant they get less money. They’d set up payment plans but paying council tax remains an issue. The Council Tax payments have been compressed into 3 months rather than over whole year, so £200 a month must be paid in December, January and February. Struggling to speak to anyone on the phone about Council Tax payments.

- Credit card and catalogue debt was paid off, but now in utilities debt. One person said that their energy company went bust and they were given another company by Ofgem. They tried to call customer service at the new company, but it was “hopeless trying to get assistance”. They wanted to set-up a direct debit but were unable to. They then received a £600 bill which was a combination of old debt with the previous company and the bill for the new company.
- One participant said that she gets Employment and Support Assistance but is impacted by the benefit cap. She has older children and doesn’t get child payment benefits, but older children are more expensive. They need bus fares, phones and they eat more. It is a struggle to balance income and outgoings.

### Debt advice

*“I was ashamed. When I told my husband, it felt like a huge weight had been lifted. He couldn’t believe that I’d kept it bottled up for so long. He said it would be okay and he was proud of me in the end.”*

- One person said that they wanted to “bury their head in the sand”, but also wanted to provide for their daughter. She said that she didn’t want to tell her family, she “just borrowed and borrowed” and then googled when she realised that she needed to get help. She looked at Trust Deeds Scotland website, but they take huge fees from the payments. They were taking 90% of the payment on fees for managing the debt. When she approached a free debt advice service (following advice from her husband) she was told that bankruptcy was her only option (a payment plan would be possible, but it would take 22 years). She emphasised the stigma and shame she felt. Her husband works in debt recovery, but she kept her money problems hidden from him because she felt so ashamed. They have always had separate finances. She felt that her husband’s job showed that “it can happen to anyone”
- One Parent Families Scotland have a social inclusion team which is helpful, and free. They look at letters and personal circumstances. Citizens Advice Scotland helped with council tax.

### Low income

- One person said she felt lucky to be working for a bank with a good salary. However, moving from full-time to part-time hours, she didn’t make adjustment to her lifestyle. Her husband owns the house and pays the mortgage and she pays the bills. Because of his job and income, she can’t get any benefits, but their finances have always been separate.
- Difficulties in moving from being a student to being a parent. Money goes straight back out on costs and bills and it’s hard to budget. Her daughter has a funded place at private nursery, but the full 30 hours aren’t funded – 20 hours are paid for and she pays the rest. Her daughter is 3.
- One participant wants to work, but then has to juggle after-school clubs for her son and nursery for her daughter. No Government help for that situation.

## Impact of the pandemic

- Lockdown allowed more time to sort things out but getting in touch with organisations was really difficult. There was nobody to speak to about Council Tax. You had to email and wait 28 days for a response.
- Couldn't get the support that was wanted and needed. As a new mother needed support with breastfeeding, but there was no health visitor on the end of the phone and her mother and mother-in-law couldn't visit to help. It was difficult not having anyone to get advice from so bought things to compensate.
- Deliveries were something to look forward to and the thought that, in the absence of people, buying more things might help with the situation
- Just trying to get through to people on the phone was so hard when offices closed, and people were working from home, but even now that feels like an excuse for not offering help
- Difficult to pay child maintenance as there was 10-days that one participant couldn't work due to illness.

## The future

- Trying to gain skills to improve personal circumstances, get a full-time job and pay-off more debt each. That will be difficult as a single parent, but it's what one participant wanted to do.
- Free childcare is needed to enable parents to go to an interview, get a job and keep a job. It is a real barrier.

*"I had £10 in my bank account yesterday which is a first for so long. I had my first Starbucks, a small treat that I haven't been able to have for so long. It wouldn't have been manageable if I had no income and it all fell to my partner".*

- One participant said that if they had to pay for childcare they wouldn't work as it wouldn't be financially worthwhile (has free childcare through family). Her child is 19 months so is too young to be eligible for a free place.
- Being proactive and getting free debt advice has helped. The problem is that when people finally accept that they have a problem, they end up googling for advice and going to the wrong place. Paid debt advice services can pay to be first on Google. It would be good if the free/charitable services were more accessible and obvious.
- Work needs to be better paid with improvement to the living wage. Many accessible jobs (like retail and hospitality) where you can work weekends and get more informal childcare through family are low paid. Free childcare at college was a big help. It would be helpful to know what options are available to you if you're struggling.
- You get lots of advice from the midwife about having a baby, but it would be useful to include leaflets about money advice especially if you don't qualify for benefits. People may not realise what is ahead of them and may not have financially planned.

- One participant said that as she was a pregnant teenager, the family nurse offered money advice, but she was unsure if this was offered to everyone. Having this advice at a young age would be really helpful, possibly through debt advice at school. People need to be educated more on debt through credit cards, catalogues etc.
- It is far too easy to get credit cards. One person said that they ended up with 2 credit cards when they were 18 and got their first job. They were bombarded by credit card companies. Now with Klarna too it is far too easy to sign up to monthly payments and store cards.

*"I bought something on PayPal and then PayPal would pop up and offer £1,000 credit and I'd think 'why not?'. It shouldn't be allowed."*

### **Session 3**

Following the 4 breakout group discussions all committee members and participants joined together in a large group to provide feedback on the smaller group discussions.

Committee members highlighted the following key points which were discussed in their groups:

- There is a lack of in person services. The impact of the pandemic on face-to-face services is continuing longer than it should. It is easier to access services during the pandemic if you already had face-to-face contact before the pandemic. There was concern that it would be very difficult for people without this previous contact to find advice, particularly if digital is challenging.
- Serious lack of statutory provision to support people in debt. The role of the third sector is key, and many people rely on each other for informal support through Facebook groups, peers and third sector. There must be more statutory support.
- The £5000 minimum debt for a Protected Trust Deed is a barrier.
- There is a need for flexible solutions
- The pandemic has created an "everyone in the same boat" attitude which some have found dehumanising. However, exclusion from seeing people and doing things has been experienced by people in poverty for a long time. Now more people have experienced this and if it was unacceptable for everyone then it is unacceptable for anyone.
- Many were unsure of who to turn to for help and some received bad advice. Many seem to get advice by chance which isn't good enough.
- Advice needs to be offered in places that people go daily like doctor's surgeries. The Scottish Government is looking at this, but maybe it needs to be rolled out further.
- Information should be available from a central portal
- Providing debt education in schools.
- Improved signposting needed. Most people found advice by word of mouth.

- Often systems are created with a “one size fits all” approach but different people have very different circumstances. It is difficult to create this nuance without making it more complicated.
- The cut to Universal Credit was highlighted by many people on low incomes as a challenge.
- Childcare cost is still a barrier
- There are complex reasons for debt which are often triggered by a change in circumstances e.g. relationship breakdown, moving to a new house, new baby, losing job
- It is far too easy to get credit.
- Working from home has made it difficult to contact some organisations e.g. difficult to get council tax help