Tackling debt and financial distress: a new strand in suicide prevention

About us

1. Money and Mental Health is a new charity set up by Money Saving Expert Martin Lewis. Launched in April 2016, the Institute conducts research and develops policy proposals to break the devastating link between mental health problems and financial difficulties. Half of those with problem debt have a mental health problem - and people with mental health problems are up to six times as likely to face debt crisis.[1,2]

Summary of evidence

2. There is a well-documented link between debt, financial crisis and both suicidal ideation and completed suicides. The Bank of England's central projections for consumer credit and the current adverse economic climate give reason to predict the numbers of individuals experiencing financial distress - including those with pre-existing mental health problems - will rise. This could contribute to increased suicidal ideation and the suicide rate.

3. Money and Mental Health recommends a number of policy interventions for public services, advice agencies and financial services companies that will mitigate the risks, and prevent more suicides and suicide attempts linked to financial distress. These include:
    - 3.1 More investment in debt and welfare advice, and triage from advice services to mental health services for clients at highest risk of suicidal ideation.
    - 3.2 Government and the financial services sector to stop using debt collection agencies who do not have mental health policies in place.
    - 3.3 Collection of financial and debt information to become routine in primary and secondary mental health services to identify service users where financial problems increase suicide risk. Such patients to be referred routinely to debt and welfare advice services.
    - 3.4 Protocols and training for front line collections staff in the creditor sector to include appropriate responses to suicidal ideation by debtors and onward referral to mental health services.
    - 3.5 Coroners to notify the Financial Conduct Authority and the Department of Work and Pensions of all suicides in which financial distress is considered a factor, to inform future practice.

[1] Jenkins R, Bhugra D, Bebbington P, et al. Debt, income and mental disorder in the general population. Psychological Medicine 2008; 38: 1485-1494.
[2] MoneySavingExpert.com. Mental Health and Debt. 2016.

Our evidence in full

Comments from service users

4. In March, Money and Mental Health conducted a survey of 5,500 service users with mental health problems on their financial experiences. Below are some of hundreds of testimonials linking debt problems and suicidal thoughts. (Trigger warning: many of these comments are distressing and discuss suicidal thoughts candidly)

5. *We missed some mortgage payments as well as credit card repayments. Life was bleak and I had already tried to kill myself more than once.*

6. *When I'm struggling with money I get very depressed and on several occasions I start self harming and attempted suicide.*

7. *I blame myself for my poor financial state which feeds the depression, and the guilt and shame feed the binge eating, which then feeds the debt. I've thought about killing myself to get away from my debt and my mental health.*

8. *[My] card provider has raised my credit limit and I feel I am slipping back into the spiral I got trapped in before. Sadly, I think that I won't survive another major debt crisis as I was close to suicide many times the first time round.*

9. *My mortgage company seem to think that a call from them is no big deal, whereas to me it's a nightmare that lasts for days and leaves me suicidal.*

10. *I feel positively suicidal, with a churning tummy & nausea when I realise how I've overspent. So far, with help from family & friends we've managed to struggle on, but I'm very aware that this borrowing situation is very finite, and I feel suicidal at the thought of not being able to curb my spending.*

11. *My MH problems have increased, my child has been taken away to live with her grandparents against my will and I am plan to kill myself every day but keep hoping for some light at the end of the tunnel.*

12. *I have felt suicidal at the thought of not being able to make payments and of losing my home.*

13. *I worry how I'm going to pay it thinking suicidal thoughts.*

14. *Sleep apart from my husband... Money is such a touchy subject we just don't talk... Don't go out on my own.... Put on so much weight as up all night.... See suicide [as] a good option as my debt will be clear and my husband can move on....*

The impact of debt and financial distress on suicide risk

15. Academic literature yields a wealth of evidence linking financial distress to mental health problems and suicidal ideation. Three methodological approaches have been used to investigate this association: an examination of coroners' reports of suicides;[3,4] the collation of information from the case-notes of psychiatric in-patients who were admitted because of a suicide attempt;[5] and an analysis of correlations between debt, financial crises and suicidal ideation from national surveys of psychiatric morbidity.[6,7] All types of study indicate that indebtedness is a risk factor for suicidal ideation, successful and unsuccessful suicide attempts. The below table (reproduced from Meltzer et al) is based on analysis of the British Adult Psychiatric Morbidity Survey 2007; this survey of a representative population sample was repeated in 2014 and up-to-date analysis will be possible when the data is published imminently.

Table 3. *Specific debt correlates of suicidal ideation in the past 12 months*

	Unadjusted OR	95% CI	*p* value
Number of debts			
No debt	1.00	–	–
1	2.80	1.84–4.25	<0.001
2	3.03	1.76–5.23	<0.001
3	5.19	2.72–9.91	<0.001
$\geqslant 4$	4.53	2.72–7.56	<0.001
Source of debt (grouped)			
No debt	1.00	–	–
Shopping + housing + utilities	7.75	3.87–15.52	<0.001
Shopping + housing	6.15	2.73–13.86	<0.001
Shopping only	4.06	2.12–7.75	<0.001
Housing + utilities	3.90	1.99–7.65	<0.001
Shopping + utilities	2.82	0.54–14.66	0.218
Housing only	2.58	1.49–4.47	0.001
Utilities only	2.05	0.94–4.49	0.071

OR, Odds ratio; CI, confidence interval.
Shopping = credit card, mail order and higher purchase.

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[3] Graham, C., & Burvill, P. W. A study of coroner's records of suicide in young people, 1986–88 in Western Australia. Australian and New Zealand Journal of Psychiatry 1992; 26, 30–39.
[4] Yip PS, Yang KC, Ip BY, Law YW, Watson R. Financial debt and suicide in Hong Kong SAR. Journal Applied Social Psychology 2007; 37: 2788-9
[5] Hatcher, S. Debt and Deliberate Self-Poisoning. British Journal of Psychiatry 1994; 164: 111-14.
[6] Hintikka J, Kontula O, Saarinen P, Tanskanen A, Koskela K, Viinamäki H. Debt and suicidal behaviour in the Finnish general population. Acta Psychiatr Scand 1998; 98: 493-96.
[7] Meltzer, H., Bebbington, P., Brugha, T., Jenkins, R., McManus, S., & Dennis, M. S. Personal debt and suicidal ideation. Psychological Medicine 2011; 41(04), 771-778.

16. This demonstrates that numbers of debts, and particular sources of debt, can increase the risk of suicidal ideation dramatically. In particular those with shopping debts, and those with large numbers of debts, seem particularly high risk. The same report also demonstrates that those who have had a "major financial crisis" in the past six months are nearly eight times as likely to experience suicidal thoughts than those who have not.

17. The link between unemployment and financial distress and suicide is acknowledged by government. The February 2015 Suicide Prevention Strategy states that "a number of studies have demonstrated an association between the areas of England worst affected by unemployment during the financial crisis and increased suicide rates."[8] However, policies to mitigate the impact of unemployment and financial distress on the suicide rate have not been forthcoming.

Future trends in debt and financial distress

18. Given the evidence set out above, it should be of concern to health policy makers and those working in suicide prevention that the outlook for employment and consumer credit appears negative. The Financial Policy Committee's (FPC) July 2016 Financial Stability Report reports that UK household indebtedness is high by both historical and international standards, and that it is on the rise.[9] The report also sets out how this rise in indebtedness has corresponded with a growth in lending to households. Household debt has been on the rise relative to incomes since early 2015. In 2016 Q1, the aggregate household debt to income (DTI) ratio was 132%.

19. The annual growth of lending to households has increased each quarter since 2013 Q2. This growth rate reached 4.1% in 2016 Q1, its highest level since 2008.

20. The ability of many households to service their debts will be challenged by the predicted coming period of weaker employment and income growth. The Bank of England's August Inflation Report predicts unemployment will rise to 5% in the near term.[10] The Bank also reduced its predictions of forthcoming wage growth, despite the introduction of the National Living Wage.

21. Meanwhile, advice services remain under sustained financial pressure, with local government funding for debt and welfare advice reducing dramatically, following in the wake of the 2011 cuts to legal advice under the Legal Aid, Sentencing and Punishment

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[8] Barr, B., Taylor-Robinson, D., Scott-Samuel, A., McKee, M., & Stuckler, D Suicides associated with the 2008-10 economic recession in England: time trend analysis. 2012.
[9] Bank of England, Financial Stability Report, No. 39. London, July.
[10] Bank of England, Inflation Report August 2016. London.

of Offenders Act. StepChange reported this month that they have the highest demand ever for their debt advice services.[11]

22. Rising unemployment and continued pressure on wages, combined with constrained access to advice services are, together, likely to have an impact on consumers' mental health and the risks of suicidal ideation.

Policy recommendations: mitigating suicide risk for those in financial distress

23. Despite the difficult outlook, Money and Mental Health believes there are opportunities for policy makers, health service and the financial services industry to contribute to suicide prevention for the high risk group of those in financial distress.

24. Recommendations for central and local government. The provision of good welfare advice leads to a variety of positive health outcomes and in addition addresses health inequalities highlighted in the Marmot Review 2010.[12] The effects of welfare advice on patient health are significant and include: lower stress and anxiety, better sleeping patterns, more effective use of medication, smoking cessation, and improved diet and physical activity.[13] Cuts to debt and welfare advice services create systemic risk of increased mental distress and potentially could increase suicides.

    24.1 Both local and central government to call a halt to further cuts to welfare and debt advice. Evaluations of the cost of these services should consider the mental health impact, and consequent costs to NHS services, of consumers who cannot access advice. Money and Mental Health endorses the Low Commission's recommendation that another £100m pa is needed to adequately fund advice services in England and Wales.[14]

    24.2 DWP has guidance in place to help their staff to manage suicide and self harm declarations from customers safely and effectively, for themselves and the customer. This guidance should be replicated for local government staff in all authorities as part of local suicide prevention strategies.

25. Recommendations for the NHS. The 2015 Suicide Prevention strategy states that "those - in particular men - experiencing financial crisis should be considered a high risk group for suicide prevention." However, data on the financial situation of service

[11] Stepchange. Personal debt statistics: Mid-Yearbook. 2016
[12] Marmot, M. Fair Society, Healthy Lives, the Marmot Review, 2010. The Marmot Review, London.
[13] Parkinson, A., Buttrick, J. The role of advice services in health outcomes: evidence review and mapping study. 2015
[14] The Low Commission. Tackling the advice deficit – a strategy for advice and legal support on social welfare law in England and Wales. 2014.

users and their debts is not routinely collected in primary or secondary mental health care, making it impossible for NHS staff to act.

25.1 Information about the financial situation of and debts affecting service users should be collected routinely - via one or two simple screening questions - both as baseline data and - because financial difficulties often emerge after a mental health diagnosis - on an ongoing basis during periods of treatment.

25.2 Where service users are identified as having financial difficulties or debt problems, NHS services should refer them to third party debt and welfare advice services, or consider funding their own advice specialist staff within IAPT teams, recovery colleges or elsewhere, as appropriate.

25.3 As recommended by the Low Commission and the Advice Services Alliance, Health and Social Care Commissioners should ensure there is adequate provision for social welfare advice and legal support - either delivered within or alongside health services in their strategic plans.

26. Recommendations for the financial services sector and debt collection industry. The Suicide Prevention Strategy 2011 recognised the importance of "continuously improving the knowledge and confidence of frontline staff who are in regular contact with people who may be vulnerable because of social/economic circumstances. This is particularly relevant to DWP front-line businesses … and front-line staff in the financial sector (banks, building societies and utility companies)". Best practice has been set out by the Royal College of Psychiatrists, which recommended that all staff be trained in how to deal with threats of suicide, working with external organisations such as the Samaritans to embed best practice, and understand when or if it is appropriate to call the emergency services.[15]

26.1 Recognising the impact a debt crisis can have on individuals, and the particularly high risk of suicidal ideation among those who have experienced a financial crisis in the last six months, Money and Mental Health backs StepChange's call for statutory 'breathing space' of at least six months for all those seeking advice from a regulated free debt advice provider.

26.2 Protocols and training for front line collections staff in the creditor sector should all include appropriate responses to suicidal ideation by debtors such as onward referral to mental health services or the Samaritans. NB: Data is currently being collected by the Personal Finance Research Centre, University of Bristol on the experiences of frontline credit staff when engaging with a

[15] Fitch C, Trend C, Chaplin R. Lending, debt collection and mental health: 12 steps for treating potentially vulnerable customers fairly. London. 2015

customer who talks about taking their own life. This data can be shared with the committee in Q4 2016.

26.3 Creditors should consider establishing direct referral points to appropriate external services; this may include establishing a “three way call”, transferring the distressed customer to the external service directly, as is standard practice at the Financial Ombudsman Service. This dramatically reduces the chances of ‘drop-off’ where a customer ends the call with the creditor but does not successfully contact the services to which they have been referred.

26.4 As recommended by the Money Advice Liaison Group, where debts are outsourced to debt collection agencies, steps should be taken to ensure these organisations have mental health and suicide prevention policies in place. This should also apply to government debts, including council tax debts, which should not be sold to Debt Recovery Companies that do not have mental health policies in place.

27. Recommendations for advice services including employment advisers. One of the leading academics on this issue, Professor Howard Meltzer et al recommended in his 2011 paper that, given their high risk profile for suicidal ideation, “individuals experiencing difficulties in repaying their housing-related and shopping debts owing to having recently been made unemployed, or having had a relationship breakdown, or coping with heavy caring responsibilities, may require psychiatric evaluation in addition to debt counselling.”[16]

27.1 Advice agencies should link with local NHS providers to refer those presenting with these high risk debt profiles to such a psychiatric evaluation, where the service user consents.

27.2 As with the financial services sector, above, advice agencies should ensure front line staff are trained in mental health awareness and appropriate action to take if a client presents with suicidal thoughts.

28. Recommendations for the Chief Coroner. Under the Coroner’s Rules 1984, where a coroner believes action could be taken to prevent a death similar to that investigated, the coroner has a duty to make recommendations to the relevant authority.[17] These rules, as interpreted, do not allow for more generalised analysis of the confounding

[16] Meltzer, H., Bebbington, P., Brugha, T., Jenkins, R., McManus, S., & Dennis, M. S. Personal debt and suicidal ideation. Psychological Medicine 2011; 41(04), 771-778.

[17] Coroners Rules. Legislation Direct UK Sis SI 1984/522. 1984. Butterworth Direct.

factors influencing suicides. While the particular actions of a creditor in one case may not reach the threshold for a “Preventing Further Deaths” report, the collective impact of the creditor sector across a number of cases might, but currently goes unanalysed.

28.1 Where known risk factors, or systemic problems - such as financial distress or housing issues - are identified in a case by a coroner, these should be flagged, and submitted to relevant policy makers for collective analysis to improve understanding and identify where systems level policy change can mitigate future risk. In the case of creditor action, this is likely to be the Financial Conduct Authority; in the case of benefits, this is likely to be the Department for Work and Pensions.

28.2 These authorities should work with the Chief Coroner to report annually on the lessons that can be learnt from the groups of cases flagged in this way.

Money and Mental Health would be happy to give oral evidence to the committee to further explore these points. Please contact contact@moneyandmentalhealth.org.uk.

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