

MONEY AND MENTAL HEALTH PROBLEMS: BREAKING THE LINK

A BEST PRACTICE CHECKLIST FOR CREDIT REFERENCE AGENCIES

People with mental health problems are three times more likely to be behind on bills and debt payments - dramatically affecting their credit score, and their ability to get back on top of their finances when they recover. Credit Reference Agencies have the power to significantly improve the financial and emotional wellbeing of consumers by introducing new tools, settings and processes that help customers with mental health problems stay on top of their finances. Money and Mental Health, the leading centre of expertise on financial and mental health problems, calls on all Credit Reference Agencies to take the following six steps:

1. Building understanding

One in four customers will experience a mental health problem in any year - half in a lifetime. This can change how customers interact with staff, and their financial situation, and have a serious impact on their credit report, sometimes causing real distress. **So all front line staff should have basic mental health awareness training, knowing what to look for and how to help.**

2. Self-exclusion from credit

Some mental health problems are associated with increased impulsiveness, which means that some people experiencing mental health problems take out loans while unwell that they would not otherwise want and, in some cases, cannot afford. People should have the right to protect themselves from making financially damaging decisions while unwell. **Credit Reference Agencies should work together to create a simple system which allows people to ask credit providers to reject any new applications they make, either for particular types of credit or from all credit. This could build on existing Notices of Correction, but must have a single point of entry so it is easy for people experiencing mental health problems to put the protection they need in place. People should have the option to set a time delay before this restriction can be removed - such as 30 days.**

3. Tell a trusted friend

Many people with mental health problems rely on a trusted friend or carer to help them with their finances. New services to help people proactively manage their credit report should build in tools to help a friend or carer offer this support - either on an ongoing basis or when specific problems start to arise.

Credit Reference Agencies and associated services should set up opt-in systems allowing people with mental health problems to add a trusted friend or family member to their account. Options should include read-only access, and any notifications available to the primary customer to be also available for a trusted friend - like when a customer's credit score changes, they make a credit application, or their credit file is searched.

4. Getting in touch

During periods of poor mental health, many people struggle with certain forms of communication. Some customers find phone contact overwhelming, and prefer email or webchat. **Credit Reference Agencies should ensure customers wishing to query or correct their files are able to get in touch in a variety of ways. People with memory difficulties can also benefit from being sent a summary note of any phone calls with your customer services team. Credit Reference Agencies offering paid-for subscription services should, in particular, ensure that customers can cancel through a variety of communications channels and are not forced to use the telephone.**

5. Invest in research on risky behaviour

Credit Reference Agencies play a vital role in helping financial services providers to understand the profile of prospective borrowers, to ensure credit is affordable and to reduce risk to both parties. Agencies are also increasingly investing in systems to help consumers spot identity fraud. Because Credit Reference Agencies look at a customer's circumstances across providers, they may be best placed to spot problems early. We urge all those with access to customer data to **invest in research to spot unusual - and damaging - behaviour that isn't fraud, in particular patterns of behaviour that predate serious financial problems.** Better understanding will enable firms to offer customers tailored support and help them maintain a healthy credit report.

6. Warm referral

Customer-facing staff at Credit Reference Agencies may sometimes find themselves dealing with people facing financial or mental health crisis. For customers in these difficult circumstances it isn't often enough to tell them who else to call: once the phone is put down, it can be too late. If you want your customers to get help, **call centres need to be able to transfer customers directly to support services, from debt advisers to the Samaritans.**

Money and Mental Health is keen to celebrate firms adopting these ideas, as well as to work with firms to tailor our recommendations to each corporate environment. We work with thousands of consumers with experience of mental health problems whose input on service and product design can be invaluable. To work with us, or tell us how you've implemented our ideas, email contact@moneyandmentalhealth.org.