



## The role of regulators to support people with mental health problems

### Introduction

One in four adults will experience a mental health problem each year - equivalent to nearly 12 million consumers. Many mental health problems fluctuate, so this “one in four” is not a static group. By some estimates, almost half of us will be affected at some point in our lives. Many people, however, either don't realise that their symptoms amount to a diagnosable mental health problem, or struggle to overcome the stigma around seeking help. Only a minority of people with a mental health problem at any given time will be receiving treatment and support.

Mental health problems can affect consumers in a wide variety of ways. Most obviously, people with mental health problems are more likely to be living on a low income than those without. However, mental health problems can also have a dramatic effect on our behaviours and capability as consumers. They can seriously affect our cognitive functioning - the way that our brains process and use information - as well as influencing psychological factors like our motivation or ability to engage. Effects can vary substantially from person to person, and between different mental health conditions, but commonly include:

- short **attention span**
- unreliable **memory**
- **impulsivity**
- and reduced **planning and problem solving** ability

As a result, people with mental health problems can experience difficulties when choosing, using and paying for essential services, and are at an increased risk of detriment in these markets.

The challenge for regulators and firms is how best to support consumers experiencing mental health problems, given the scale of the challenge, the variable levels of self-awareness and variety of experiences among those affected. To develop understanding of these issues and explore what more regulators could do to meet the needs of this group of vulnerable consumers, Money and Mental Health have undertaken new research with people with lived experience of mental health problems, investigating the issues they face across markets for essential services and analysing what might help. This briefing note sets out our headline findings and some initial ideas for next steps, to frame a discussion with members of the UK Regulators Network on 1st November 2017.

### Choosing services

People with mental health problems can experience a range of difficulties which make it harder for them to find the right product or to get a good deal.

#### 1. Comparing options

Mental health problems can affect cognitive processes that are used to weigh up different options. As a result, people with mental health problems may struggle to compare complex products or tariffs across multiple providers. Nearly three quarters of respondents to our survey (72%) reported that they find it hard to identify the best deal, and eight in ten (80%) said they struggle to compare deals when there are many different options.

"I find the process of hunting for deals overwhelming. My brain can crash, then I'll just take whatever deal is closest to me. Or I'll get stuck, and not be able to take any deal. Last time I needed a new mobile it was awful, it took me more than 6 months to decide which deal to get."

## 2. Disengagement

Low motivation is a hallmark symptom of depression, which can make people disengage from essential services markets. For others, anxiety can drive disengagement; some people with mental health problems report sticking with their current providers not out of loyalty, but for fear of making a bad decision, or facing a penalty or fee for switching. Eight in ten (82%) survey respondents said they found the thought of switching and shopping around exhausting, and a third (30%) said they would rather stick with the provider they know, even if it was more expensive.

"Things like bank account, gas and electric etc just baffle me. I never change them for fear of costing myself more money."

## 3. Telephone

Many people with mental health problems, particularly anxiety disorders, are phobic about using the telephone. This creates specific difficulties where customers are required to call to cancel an existing contract before switching. Respondents to our survey report missing out on the best deals because they can't cope with the pressure of haggling over the telephone, or being pressurised by their providers when calling up to cancel, and in some cases feeling unable to switch as a result.

"I struggle with salespeople trying to get me to stay with them when I've decided to go elsewhere. That's a real problem."

## Using services

People with mental health problems report difficulties managing their accounts with essential service providers, communicating with their providers and getting support when problems develop.

## 1. Communications

Many people with mental health problems experience difficulties using the telephone or opening post. Providers have made great strides at improving accessibility for those with visual impairments or hearing problems, but the equivalent options for people with mental health problems are often lacking. Inaccessible communications can mean that customers don't receive information from their providers, or struggle to seek support when problems develop. Being forced to use an unsuitable communication channel can have a serious impact on customers' mental health, in some cases triggering panic attacks or suicidality.

"The anxiety at having to pick up the telephone causes me so much distress that it can often take weeks to build up enough courage to make a call. Worse still, it can take even more weeks to recover from."

## 2. Getting support

Many people with mental health problems rely on a carer to help them with their finances, but current systems for third party access to essential services accounts are inadequate. As a result, carers are often denied access in emergency situations, for instance when the person they care for is acutely unwell. Some carers are relying on risky workarounds, such as sharing login details, which put both parties at risk.

"Although my children have Lasting Power of Attorney, call handlers always want to verify it with me and just confirming it can be a huge hurdle and cause a lot of distress."

"When I don't feel well, it would be easier for my husband to deal with [essential services], but as my name is on the bill they don't want to know."

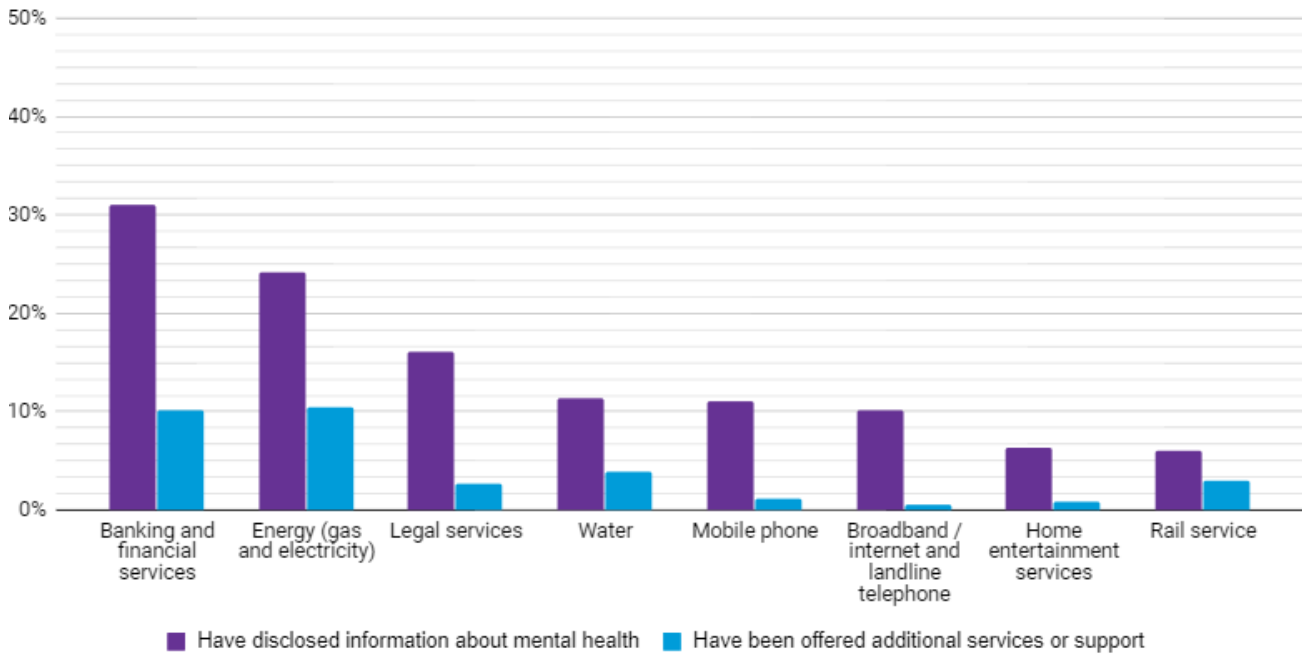
## 3. Disclosure

Providers often offer specialist support to customers identified as vulnerable. However, many people do not feel comfortable disclosing information about their mental health problem, due to stigma or a lack of trust. Others, who are willing to disclose, complain that there is often no easy system for disclosure. Consumers often have

negative experiences of disclosure, such as having to repeat difficult personal details on multiple occasions, or seeing no appreciable benefit after disclosing.

Our research suggests that few people are offered additional support by essential service providers, because of their mental health, and that many are unaware that such support is available.

**Figure 1 - Proportion of people who have disclosed information about their mental health problems, and proportion who have been offered support with their mental health**



Source: Money and Mental Health survey of 434 people with lived experience of mental health problems. Base for this question: 335

## Paying for services

### 1. Disengagement

Avoidant behaviours are a common symptom of anxiety. Some people with mental health problems report never opening or checking their bills, because they find this too stressful. For others, it is common for this engagement to slip during periods of acute poor mental health. Disengagement can lead to missed payments, penalty charges and even legal action.

“When I’m ill, I don’t open official letters, I can’t deal with them because I feel anxious and scared.”

### 2. Understanding bills

Many mental health problems can mean people struggle to understand complex bills, which are often full of jargon and in some cases pages long. Respondents to our survey also reported being confused by tariff pricing structures, especially

additional charges that don’t appear in headline deals and instances where prices rise part way through a contractual period. Almost all (96%) of our respondents report having been surprised by the size of an essential service bill. For people with low financial resilience, this can lead to falling behind with payments or emergency borrowing.

“I am far from stupid; I can even make sense of tax returns, but gas, electric and water bills, not a chance.”

### 3. Payment options

Limited payment options can cause further problems for people with mental health problems. Quarterly billing practices and irregular changes in direct debit amounts mean many people struggle to keep track of their usage and receive unexpectedly large bills, which can cause stress and confusion. Some people with mental health problems are choosing more expensive billing options, such as prepayment energy meters, to

avoid these drawbacks of quarterly billing, putting additional pressure on their household finances.

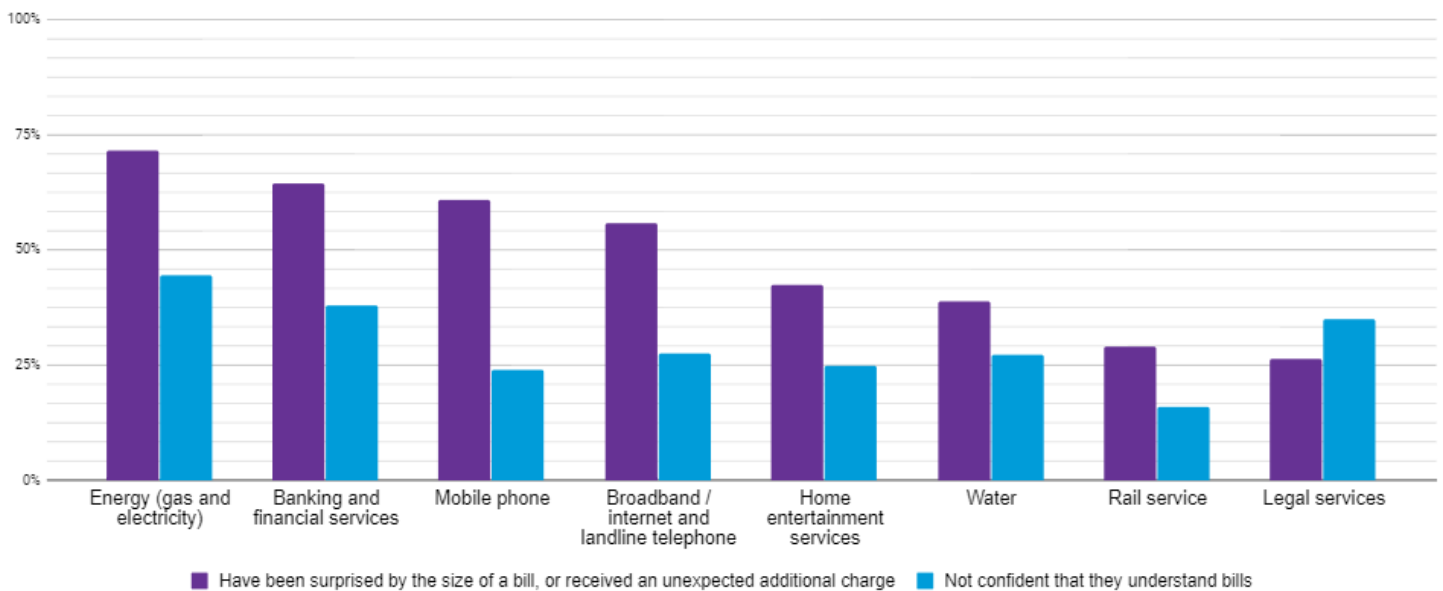
“I have pre-payment meters for my gas and electric as I can't cope with the idea of a bill coming in, for me it is one less worry.”

“Charges, direct debits not taken on agreed date or amount taken vastly increased, cause significant financial crisis and no food or energy to keep well.”

#### 4. Exclusion

Some customers with mental health problems report rationing consumption or self-disconnecting from essential services because of money worries. Others describe cutting back on food to pay the bills. Such exclusion can leave people isolated, and take its toll on their mental and physical health.

**Figure 2 - Proportion of people with mental health problems who have been surprised by the size of a bill, and proportion who are not confident that they understand their bills**



Source: Money and Mental Health survey of 434 people with lived experience of mental health problems. Base for this question: 366

### The harm that results

As a result of these challenges choosing, using and paying for essential services, people with mental health problems are likely to be consistently paying more for services, despite, on average, having lower incomes. This is reflected in high levels of problem debt amongst people experiencing mental health problems: one in four (23%) people with a mental health problem is in problem debt, compared to just 8% of the rest of the population.

### What is the role of regulators?

Regulators are tasked with ensuring that their respective markets are working well for consumers and that providers are treating consumers fairly, particularly those who are vulnerable. Regulators tend to favour a principles-based approach,

allowing providers flexibility rather being overly prescriptive, but making targeted interventions to address persistent problem areas.

Whilst significant progress has undoubtedly been made on consumer vulnerability across essential services markets, the National Audit Office has called for major regulators to develop clear aims, objectives and indicators to assess their progress, and highlighted scope for more joined up working to address cross-sectoral challenges. While many regulators have strategies in place to support vulnerable customers, understanding of the specific needs of customers with mental health problems appears to be less well developed.

## Initial suggestions for regulatory strategy

Supporting customers experiencing mental health problems poses particular challenges. Unlike those with a physical disability, consumers with mental health problems can be difficult to identify because of specific stigma, lack of knowledge and problems accessing welfare support. Consequently, a reliance on data matching or disclosures is unlikely to be an effective way of identifying consumers with mental health problems.

Given these problems, and the considerable number of consumers who will experience a mental health problem each year, we encourage regulators to consider cross-market mechanisms for supporting consumers with mental health problems, rather than exclusively trying to target support. This could be equivalent to installing dropped kerbs, an intervention which, although initially designed for people in wheelchairs, also assists parents with small children and many others with reduced mobility.

### Next steps

Money and Mental Health has developed a range of recommendations for essential service providers in the telecoms, financial services and energy sectors, which could improve outcomes for people with mental health problems:  
[www.moneyandmentalhealth.org/best-practice](http://www.moneyandmentalhealth.org/best-practice)

However we see a clear role for regulators in raising minimum standards and spreading best practice across industries. Whilst specifics of approach will vary, common problems across markets could be usefully addressed through cross-industry collaboration that provides consistent solutions for consumers.

Key areas where regulators could encourage

the development of best practice support for consumers experiencing mental health problems include:

- **Communications options**
- **Third party access**
- **Account management**
- **Payment options**
- **Switching suppliers**

We will be discussing these issues with regulators and their representative body, the UK Regulators Network, at a roundtable in November 2017. This conversation will inform more specific recommendations for ways that regulators can ensure that consumers experiencing mental health problems are easily able to choose, use and pay for essential services.

### References

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<sup>8</sup> Ibid. Base for this question: 351.

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<sup>11</sup> National Audit Office. Vulnerable consumers in regulated industries. House of Commons. 2017.

If you have any questions, or would like to discuss our work further, contact us at:

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