

## Money and Mental Health response to the Working-Age Money-Management Commissioning Plan

The Money and Mental Health Policy Institute is a research charity, established by Martin Lewis to break the link between financial difficulty and mental health problems. This response to the Money Advice Service's consultation on the Working-Age Money-Management Plan sets out evidence from our research and policy work on how the strategy can best support the needs of the 11.8 million adults across the UK who will experience a mental health problem each year.<sup>1</sup> Money and Mental Health's research is informed by our Research Community, a group of 5,000 people with lived experience of mental health problems.

In this response we provide answers to questions 1, 2, 3, 4 and 5 of the consultation.

### Background

- In any given year, one in four people will experience a mental health problem.<sup>2</sup>
- Mental health problems can be both a cause and consequence of financial difficulties. People experiencing mental health problems are three times as likely to be in problem debt,<sup>3</sup> and nearly half of people in problem debt are also experiencing a mental health problem.<sup>4</sup>
- Mental health problems can cause financial difficulties and undermine financial resilience by reducing our ability to both earn and manage money.
- Some people may become too ill to work, resulting in an income shock which can quickly lead to savings depletion and escalating debt. People experiencing mental health problems are less likely to be in paid work, and those who are employed are more likely to be in low-paid, temporary or part-time roles.<sup>5</sup>
- Mental health problems can also affect a person's cognitive and psychological functioning. Common cognitive and psychological symptoms of mental health problems include:
  - Lack of motivation, which can make it difficult to stick to a budget or engage with financial management tasks. Feelings of hopelessness and the expectation that you won't be alive for long can also mean saving feels pointless.
  - Short attention span, which makes undertaking comparisons and calculations needed for budgeting difficult.
  - Unreliable memory, making keeping track of spending and when bills are due more challenging.
  - Increased impulsivity, which can make it harder to control spending.

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<sup>1</sup> Money and Mental Health analysis of Office for National Statistics, Population Estimates for UK, England and Wales, Scotland and Northern Ireland: mid-2016 and McManus S et al. Adult psychiatric morbidity in England, 2007. Results of a household survey. NHS Information Centre for Health and Social Care. 2009.

<sup>2</sup> McManus S et al. Adult psychiatric morbidity in England, 2007. Results of a household survey. NHS Information Centre for Health and Social Care. 2009.

<sup>3</sup> Jenkins R et al. Debt, income and mental disorder in the general population. *Psychological Medicine* 2008; 38: 1485-1493.

<sup>4</sup> Jenkins R et al. Mental disorder in people with debt in the general population. *Public Health Medicine* 2009; 6, 3: 88-92.

<sup>5</sup> Mental Health Taskforce. The Five Year Forward View for Mental Health. NHS England. 2016.



- Reduced planning and problem solving ability, undermining a person's ability to create a budget, stick to it, and achieve savings goals.

### **Q1. Bearing in mind our proposed segments, from the evidence you hold, which specific groups should we look to target?**

Within the proposed segments, we would suggest that the Money Advice Service should specifically target people experiencing mental health problems. Mental health problems mean a person is likely to have a persistently lower income, and a more volatile income over time as they may need to take periods of time off work.<sup>6</sup> Saving is thus especially important for this group - particularly as we know that financial hardships can also prolong mental health problems and undermine recovery.

This group are also likely to face specific challenges with budgeting which would benefit from new forms of intervention. Many of the people that we speak to as part of our research are clear that they understand the principles of budgeting, but struggle to implement them on a day to day basis while dealing with the symptoms of a mental health problem.<sup>7</sup> We believe the Money Advice Service could play a valuable role in supporting the development of practical tools which could help this group on a day-to-day basis. While some of these tools may be provided by new fintech providers, given that many people with a mental health problem live on a low income, they are not a group that profit-seeking innovators will necessarily target,<sup>8</sup> creating a potential space for statutory bodies to encourage research and development.

### **Q2. What does the evidence you hold tell us about the mix of channels or messengers we should use to target each group? For example, might digital approaches work better with certain consumer groups?**

Many people with mental health problems struggle with certain forms of communication. Some are phobic about using the telephone, opening letters or face-to-face contact with essential service providers. Others need the reassurance of a real person, and may not trust chatbots or even webchats with human operators. Avoidance is a common coping mechanism for people experiencing anxiety, which can lead to letters piling up and emails being ignored. For some, problems with communication are driven by paranoia or delusion, for instance a belief that your phone is bugged. These difficulties can prevent people from receiving information.

New nationally representative polling data collected by Populus on behalf of Money and Mental Health shows that these difficulties are common across the population, not just among people experiencing mental health problems. Six in ten people (59%) have difficulties with at least one

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<sup>6</sup> See Thriving at work: The Stevenson / Farmer review of mental health and employers. 2017.

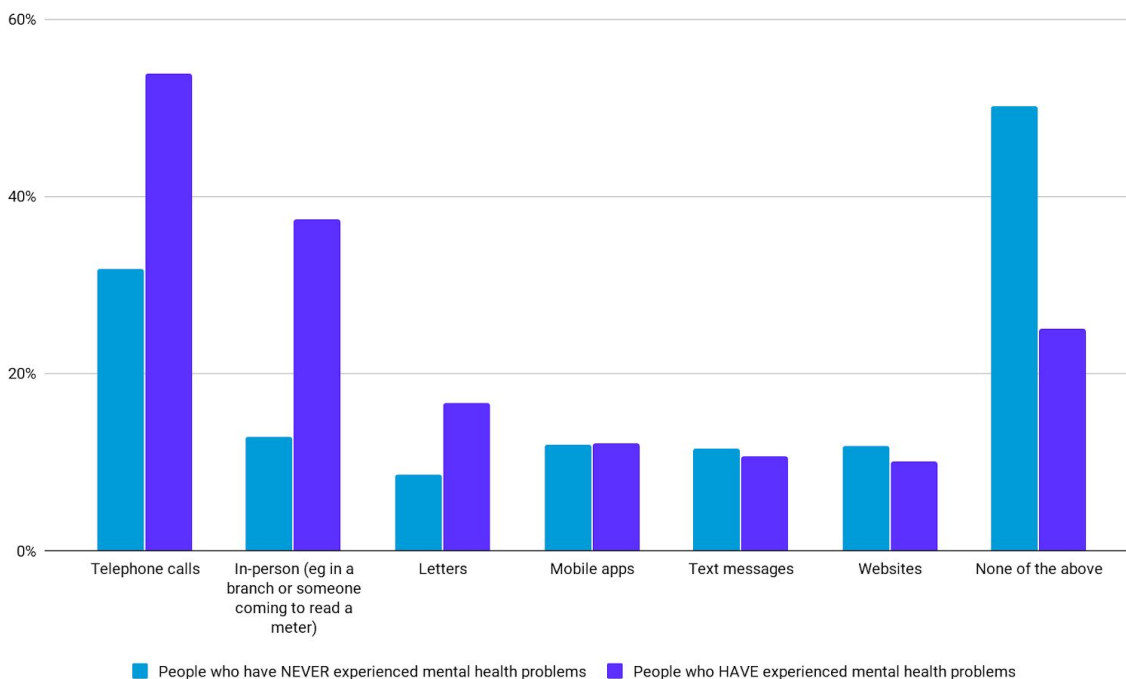
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<sup>7</sup> Holkar M. Seeing through the fog: How mental health problems affect financial capability. Money and Mental Health Policy Institute. 2017.

<sup>8</sup> Evans K and Acton R. Fintech for good: How financial technology can support people experiencing mental health problems. Money and Mental Health Policy Institute. 2017.

common communication channel, either particularly struggling to use it or finding it distressing to use. Even amongst people who have never experienced a mental health problem, half (50%) report finding at least one channel difficult to use, rising to 75% among people who have experienced a mental health problem.

**Figure 1: Proportion of people finding communication channels distressing or difficult to engage with**



Source: Online survey of 2,078 people, carried out by Populus 11-13 May 2018. Data is weighted to be nationally representative.<sup>9</sup>

Telephone calls are most commonly problematic. For providers, this means that if certain services are only accessible by telephone, half (54%) of customers who have experienced mental health problems, and one third (32%) of those who haven't, will find them difficult or altogether impossible to access. However, swapping all telephone interaction for in-person communication or post is not the answer either. More than a third (37%) of people who have experienced mental health problems report serious difficulties dealing with essential services providers in-person, and one in six (17%) report difficulties with letters. These difficulties often cause demoralisation and distress, and can lead to frustration, anger and disengagement.

These problems with communication channels can be very personal in nature, often linked to negative experiences in the past, so two people with the same health diagnosis may face vastly different access barriers and have different communication preferences.

<sup>9</sup> Originally published in Holkar M, Evans K and Langston K. Access essentials: giving people with mental health problems equal access to vital services. Money and Mental Health Policy Institute. 2018.

There is a general indication in Figure 1, however, that text messaging, mobile apps and web-based interactions generally cause less stress for people with and without mental health problems. Money and Mental Health ran a brief trial of a browser plugin which allowed users to set opening and closing times for online shops, as one example of a practical tool that could help reinforce budgeting decisions. Although the sample size was relatively small, initial evidence suggests that this type of tool could be a powerful way of both helping people to stick to budgeting intentions and leveraging teachable moments to increase engagement with other sources of support.<sup>10</sup>

### **Q3. Have you conducted consumer research or do you know of any that has explored social, economic, environmental or other policy contexts that may impact financial behaviours among the target groups?**

Money and Mental Health have carried out a substantial review of the neuro-psychological evidence around the cognitive and psychological impacts of mental health problems, and considered how these can affect financial capability in our 2017 report, *Seeing through the fog*.<sup>11</sup> We would urge those developing the Money Advice Service's strategy for working age adults to consider this work in full.

Our research also finds some evidence that recent changes in the benefits system, most notably the introduction of monthly payments and direct payment of housing elements of Universal Credit are causing difficulties for people experiencing mental health problems.<sup>12</sup>

### **Q4. Does the evidence you hold suggest that there are specific life events or transitions we should focus on for each target group e.g. linked to government policy, public services delivery or in local commissioning strategies (including the devolved nations)?**

Our research suggests that people diagnosed with a mental health problem are at particular risk of financial difficulties. We would therefore suggest that financial capability interventions should be co-located with mental health services. At present, there are a range of specially commissioned financial and money advice services available in mental health settings across the UK, but without rigorous evidence about the clinical benefits of these interventions, it can be difficult for healthcare commissioners to fund them.<sup>13</sup>

People accessing mental health services in a crisis are particularly likely to be financially vulnerable, and so targeting people being discharged from these services may prove

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<sup>10</sup> Murray N. *The Shopper Stopper: an evaluation*. Money and Mental Health Policy Institute. 2017.

<sup>11</sup> Holkar M. *Seeing through the fog: How mental health problems affect financial capability*. Money and Mental Health Policy Institute. 2017.

<sup>12</sup> Bond N, Evans K and Holkar M. *Where the heart is: Social housing, rent arrears and mental health*. Money and Mental Health Policy Institute. 2018.

<sup>13</sup> Clarke T, Acton R and Holkar M. *The other one in four: How financial difficulty is neglected in mental health services*. Money and Mental Health Policy Institute. 2016.

particularly fruitful.<sup>14</sup> Other mental health services, particularly the Improving Access to Psychological Therapies (IAPT) programme run by NHS England, offer the opportunity to systematically embed money advice in a replicable environment and reach a large number of working age adults at risk of financial difficulties.<sup>15</sup>

Our research also suggests that there would be significant value in supporting benefits recipients, particularly around the transfer to Universal Credit, which is proving to be problematic for some people with mental health problems.<sup>16</sup>

**Q5. Our proposed target audiences are living busy lives, balancing work and family commitments. Given this, what evidence do you hold on potential barriers or challenges that might exist in targeting each group? We are interested in both initial and ongoing engagement.**

Our research suggests that people experiencing mental health problems often understand the necessity of budgeting and saving, but struggle to make this work practically while managing the symptoms of their illness. These symptoms, particularly memory problems, increased impulsivity and impaired executive functioning are frequently interpreted as stupidity, sometimes leading to responses from advice providers and other professionals which are condescending. Our research suggests that practical support must be at the heart of any intervention - not telling people what to do, but giving them the tools to help them achieve their goals.

A further challenge, particularly in driving up savings, is that a substantial number of people experiencing mental health problems are not in work. While the workplace could be an effective way of encouraging greater financial resilience, particularly through the introduction of 'sidecar' savings products,<sup>17</sup> this may exclude those who most need this support.

Many people experiencing mental health problems rely on support from a friend or family member to manage their money.<sup>18</sup> Ensuring that interventions are created in such a way that people can access them with this support is likely to substantially increase engagement by people experiencing mental health problems.

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<sup>14</sup> Bond N, Braverman R and Clarke T. Recovery space: Minimising the financial harm caused by mental health crisis. Money and Mental Health Policy Institute. 2018.

<sup>15</sup> Acton R. The missing link: how tackling financial difficulty can boost recovery rates in IAPT. Money and Mental Health Policy Institute. 2018.

<sup>16</sup> Bond N, Evans K and Holkar M. Where the heart is: Social housing, rent arrears and mental health. Money and Mental Health Policy Institute. 2018; Braverman R, Holkar M and Evans K. Informal borrowing and mental health problems, Money and Mental Health Policy Institute. 2018.

<sup>17</sup> Evans K, Holkar M and Murray N. Overstretched, overdrawn, underserved: financial difficulty and mental health at work. Money and Mental Health Policy Institute. 2018.

<sup>18</sup> Murray N. Strength in numbers: consumers, carers and financial services. Money and Mental Health Policy Institute. 2016.