

Money and Mental Health's submission to HM Treasury's consultation and call for evidence on a ban on cold calling for consumer financial services and products

The Money and Mental Health Policy Institute is a research charity established by Martin Lewis to break the vicious cycle of money and mental health problems. We aim to be a world-class centre of expertise developing practical policy solutions, working in partnership with those providing services, those who shape them, and those using them, to find out what really works. Everything we do is rooted in the lived experience of our Research Community, a group of 5,000 people with personal experience of mental health problems.

This written submission has been informed by the experiences of our Research Community, including a survey of 294 respondents about their experiences of cold calling, as well as our wider body of research. Unless otherwise specified, all quotes in this response are drawn directly from the Research Community.

In this response we answer questions 1-7, 9, 11-12, 14-15 and 18.

Background

- In any given year, one in four people will experience a mental health problem which affects their cognitive and psychological functioning.¹ Over a lifetime, this proportion rises to nearly half the population.² However, we do not always know when we are unwell, or receive treatment. Over a third (36%) of people with a common mental disorder have never received a diagnosis, and 62% are not currently receiving treatment.³
- Common symptoms of mental health problems, such as impaired decision-making, increased impulsivity and low motivation, can make it difficult for those of us with mental health problems to spot scams and avoid losing money. As a result, people with mental health problems are three times more likely to have been a victim of an online scam compared to people without mental health problems (23% to 8%).⁴
- This elevated risk means that the majority of people who have been a victim of an online scam (61%) have also experienced a mental health problem, equivalent to more than 4.5 million people across the UK.⁵

¹ McManus S et al. Adult psychiatric morbidity in England, 2007. Results of a household survey. NHS Information Centre for Health and Social Care. 2009.

² Mental Health Foundation. Fundamental facts about mental health. 2016.

³ McManus S et al. Mental health and wellbeing in England: Adult Psychiatric Morbidity Survey 2014. NHS Digital. 2016.

⁴ Holkar M and Lees C. Caught in the web. Money and Mental Health Policy Institute. 2020.

⁵ Ibid.

- People with mental health problems are three and a half times more likely to be in problem debt than those without, and half (46%) of adults in problem debt also have a mental health problem.⁶
- The incomes of people with mental health problems are significantly lower than average, for people with common mental disorders like anxiety or depression this equates to an income gap of £8,400.⁷ This can mean they have less savings to fall back on when they experience financial difficulty.

Summary

- Symptoms of mental health problems, like difficulty processing information, can make it harder to avoid cold calls and spot that it is a potential scam.
- Cold calling can have a substantial financial impact but also severely affect our mental health and lead to us avoiding any incoming communication and becoming more isolated.
- We support this ban in order to reduce the risk and harm identified above. We believe that the ban should include a wide range of channels and financial services and products.
- Any communication about this ban should be through well known and trusted sources, and follow the principles set out by the Research Community, in summary to be: clear; easy to understand; informative; and accessible.

Question 1: In your experience, what are the main harms caused by cold calling to market financial services and products?

Cold calls can lead to significant financial losses, but what is apparent from our survey with our Research Community, is that cold calls can often have a negative effect on our mental health, even if the call was terminated without any financial implication. The harms due to cold calling, particularly the non-financial, are very similar to the harms we highlighted as part of our previous research on online scams.⁸

Financial harm

Cold calls about financial service and products are common - a vast majority of Research Community respondents (93%) had received some form of cold call (including over the phone, at the door and electronically).⁹ It was rarer, however, for respondents to lose money as a result of the cold call with only 4% experiencing this.¹⁰ Some Research Community members talked

⁶ Holkar M. Debt and mental health: a statistical update. Money and Mental Health Policy Institute. 2019.

⁷ Bond N and D'Arcy C. Mind the income gap. Money and Mental Health Policy Institute. 2020.

⁸ Holkar M and Lees C. Caught in the web. Money and Mental Health Policy Institute. 2020.

⁹ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 280.

¹⁰ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 260 people who had experienced unsolicited communication about financial products and services.

about transferring money to scammers they believed were legitimate businesses. People with mental health problems are more likely to be on lower incomes and in problem debt which means that even small financial losses can be devastating.

"I felt angry, frustrated, stupid and despondent/depressed and ended up losing £200 which was bad enough but the company was trying to get me to transfer £5000." Expert by experience

"I thought I was investing in a gold mine. But I don't think it existed...Scammers sometimes phone and I have occasionally answered them... the gold mine scam was more of a telephone scam and it was a good number of years ago. I think I lost several thousand pounds" Expert by experience

Beyond finances, some respondents explained that they had given away personal details or discussed something about their finances which they feared could be used in a future scam or fraud.

"I've not lost money but at least once I've started giving out personal details before I've realised it might be a scam." Expert by experience

Psychological harm

Nearly half (48%) of respondents said that their mental health was negatively affected as a result of the cold call.¹¹ Respondents talked of feeling anxious, worried, upset, overwhelmed, angry and scared. In particular, many respondents explained that they felt that their personal space had been invaded by the cold callers and they no longer felt safe in their own home. Some members described feeling vulnerable and manipulated or abused following the cold call. When struggling with poor mental health, some of us can find it difficult to leave our homes which can become a safe space. This invasion and manipulation can therefore be particularly acute for people with mental health problems.

"On one call the person was extremely persistent that I needed his advice about a credit card. I eventually told him to 'shut up and listen to me' with an angry voice and told him he was cold calling and upsetting me. I had thought it was from my bank - otherwise I would have hung up on him at the beginning of the conversation. I felt quite shaken after the call." Expert by experience

¹¹ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 260 people who had experienced unsolicited communication about financial products and services.



"Against the backdrop of managing my [complex]PTSD , this actually caused "terror" as it felt so invasive. They had my mobile number and seemingly knew I had experienced some sort of past mishap and wanted to offer either legal or insurance services." Expert by experience

"My mental health issues mean that I struggle greatly with anxiety, especially going out and even worse, being with people. My "safe space" is my home, with all the doors and windows securely locked. Any unwanted or unexpected intrusion into my safe space frightens me greatly. It means it's no longer safe. When I receive a phone call from someone that I do not know, that I was not expecting or was prepared for, is an intrusion, especially if they know my name." Expert by experience

Respondents also talked about the embarrassment and shame of nearly, or in some cases actually, being taken in by the cold caller. Furthermore, 17% of respondents said they did not tell anyone about the cold call.¹² This was something that we had also found among people who had fallen victim to an online scam, which was leading people to not report their experience and seek redress.

Increased isolation

It was clear from the survey responses that cold calling was having an impact on how people interact with the outside world. Seven in ten (70%) respondents said they stopped answering calls or responding to messages following the cold call.¹³ While some respondents used blocking technology, others adopted a very precautionary approach of not answering any calls or not opening their door to unexpected visitors. Unfortunately, this meant that many were missing out on legitimate calls, including from friends and family which was further isolating them from their social networks. Some respondents also explained that due to their overcautious approach they were missing calls from their doctor and other official organisations.

"It's hard to know whether it's a scam or not. I don't tend to answer the phone now unless I know the number. This makes me miss important calls though. It's definitely added to my isolation." Expert by experience

"I hate being interrupted or having unexpected calls so I get upset when these happen. I no longer trust when genuine providers call me now which has caused problems with my water

¹² Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 260 people who had experienced unsolicited communication about financial products and services.

¹³ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 260 people who had experienced unsolicited communication about financial products and services.

company as they wanted to speak to me about something but I didn't believe it was them and then forgot to call back." Expert by experience

"It's incredibly annoying and frustrating receiving these calls. There have been times I have had calls by my bank and because I am mistrustful I then have to spend time and my money to then call the bank back to ensure the call was genuine." Expert by experience

"It has meant that I no longer respond to unknown numbers unless voice mails are left detailing the reason for the call. This has meant I've missed important phone calls from NHS services as I'm never sure as to who is calling and I suffer from severe anxiety so answering the phone takes a lot of effort." Expert by experience

While attempts to quantify the financial cost of cold calls can highlight the devastation experienced, they only tell part of the picture. It is clear from the experiences of our Research Community that cold calls can also cause long-lasting psychological scars and isolation for many.

Question 2: Do you agree that the cold calling ban should capture live telephone calls to an individual?

Given the harms we have identified above and the prevalence of live telephone cold calls - in our survey 87% had received a cold call to their mobile and 58% to their landline¹⁴ - we support the ban including such calls.

Question 3: To what extent does direct unsolicited marketing of financial services or products take place through live, electronic communications, other than telephone calls? What is the impact if these communications are not captured by the cold calling ban?

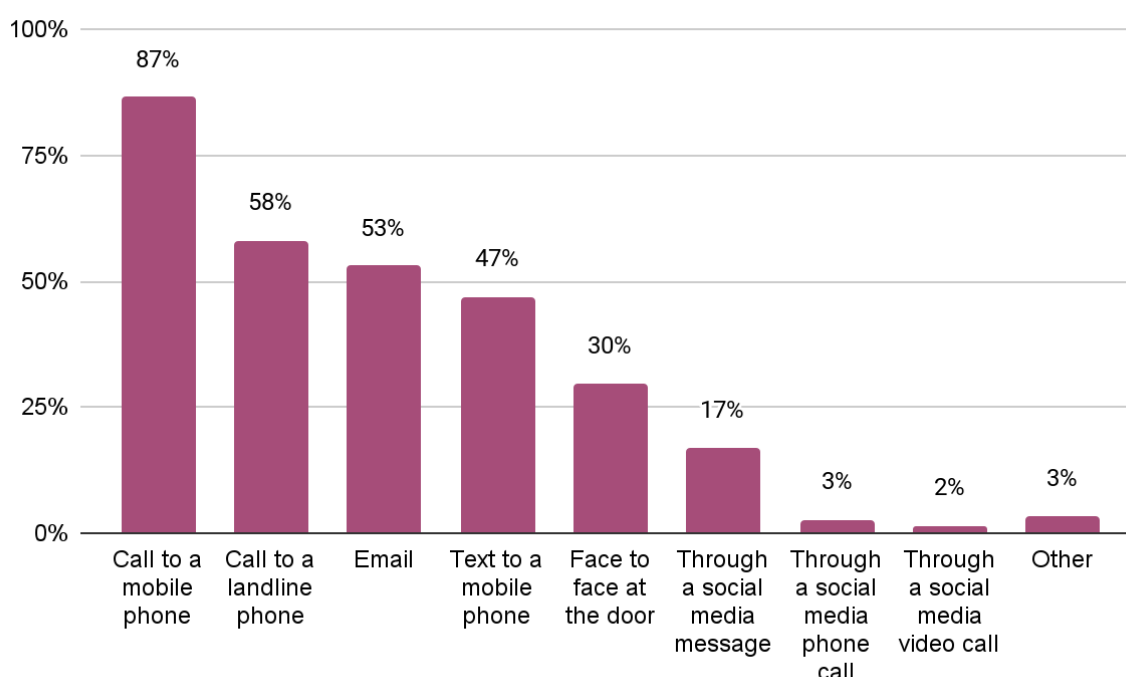
Direct unsolicited marketing of financial services or products through live, electronic communications such as social media phone and video calls were the least common type of cold calling Research Community members experienced. For example, only 3% had received a cold social media phone call and 2% a video call, compared to 17% who had received an unsolicited social media message or 47% an unsolicited text (see figure 1).¹⁵

¹⁴ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 260 people who had experienced unsolicited communication about financial products and services.

¹⁵ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 260 people who had experienced unsolicited communication about financial products and services.

However, while these types of unsolicited marketing are less common, it is likely that they will become more common as we continue to move to a more digital society and economy. Including them in the proposed ban would provide an opportunity for the government to get ahead of the curve on this issue. This is something that we have felt has not happened previously in online spaces and we have called for the government and regulators to be more anticipatory to emerging harms.¹⁶

Figure 1: The percentage of Research Community members who had received unsolicited marketing of financial services and products through the following channels



Source: Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 260 people who had experienced unsolicited communication about financial products and services.

Question 4: Are there existing safeguards in place via social media organisations which already offer protection against fraudsters using social media voice and video calls for the purposes of cold calling?

While we were very pleased that scams and scam adverts were included in the Online Safety Bill, this is focused on content and there are potential gaps with voice and video calls over social media. We would hope that efforts by social media platforms to take down scam content

¹⁶ Holkar M, Lees C and D'Arcy C. Safety net. Money and Mental Health Policy Institute. 2021.

would reduce the number of scammers using the platforms but given the sophistication of scams, we would expect scammers to exploit any loopholes.

Question 5: To what extent does marketing of financial services or products take place through door-to-door selling?

Question 6: How could a cold calling ban be made to be effective in preventing door-to-door selling for financial services and products?

In our survey, three in ten (30%) respondents said they had experienced unsolicited marketing of financial services and products at the door.¹⁷ While less common than cold telephone calls, it is still impacting a significant group of people. Additionally, the feeling of personal space being invaded and feeling unsafe at home, highlighted in question one, was particularly acute for those who had experienced door-to-door cold calling.

"I struggle with dissociative disorders and these kinds of cold calls which tend to be overly insistent or someone who won't go from the doorstep when I ask them to, triggers anxiety and dissociative symptoms which can affect me for sometime." Expert by experience

"They worry me terribly and leave me not being able to sleep. I especially can't cope with people at my door." Expert by experience

"Having to be rude to a complete stranger at my door or on the phone does not make me feel safe in my own home." Expert by experience

Perhaps unsurprisingly, almost all respondents (94%) supported expanding the proposed ban beyond phone calls to also include door to door selling and other channels.¹⁸

"They shouldn't be allowed to knock on your door at all. It's bad enough for all the calls but worse when it's in person." Expert by experience

Given people with mental health problems' experiences of cold door-to-door selling we support including it within the ban. This inclusion would help support the government's aims of consumers knowing that it is not a legitimate firm and to feel empowered to close the door and report it as a scam. It would also likely reduce the number of cold door-to-door sales and thus the risk of people being scammed. Finally, it would hopefully help people with mental health

¹⁷ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 260 people who had experienced unsolicited communication about financial products and services.

¹⁸ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 289.

problems feel safer in their own homes but also more confident in interacting with the outside world.

Question 7: Are there other forms of cold calling aside from electronic communications and in person selling that cause harm to consumers?

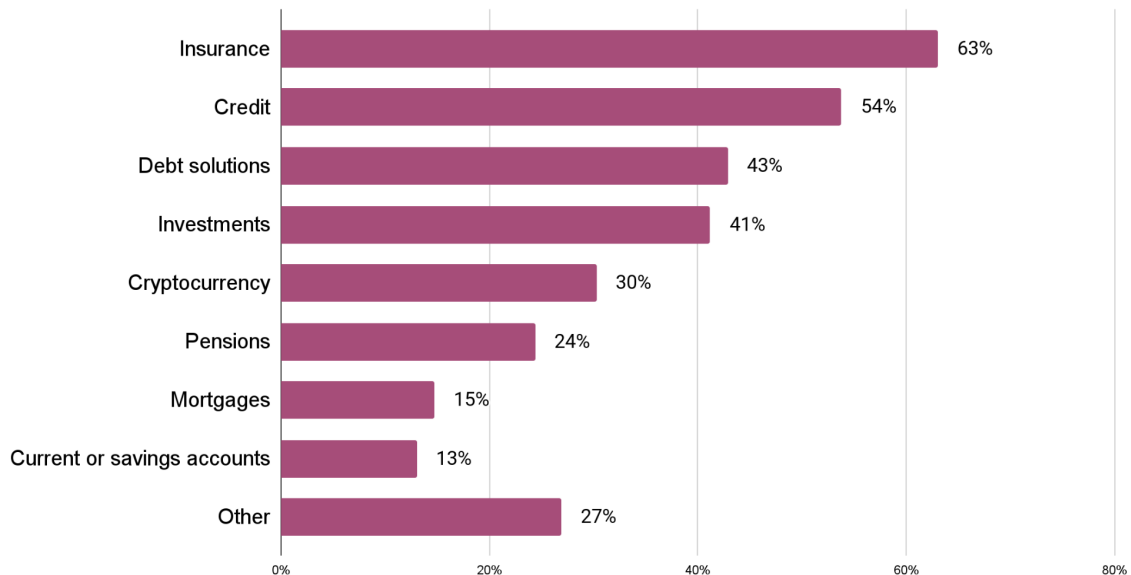
As figure one shows, there was a range of different types of unsolicited marketing that respondents had received. This included emails, texts and social media messages. Some of which are already covered by the existing Privacy and Electronic Communications Regulations as set out in the consultation document. However, these forms of cold communication are some of the most prevalent and are putting people at risk of harm. The most common 'other' was letters.

Question 9: Do you agree that the scope of the ban should include the services and products set out in the section above? Are there any other products that should fall within the scope of the proposed ban on consumer financial services and products cold calling?

We believe that the services and products included in the list within the consultation document should be within scope of the ban. Research Community members had received cold calls related to all of these services and products (see figure 2) and almost all respondents (96%) agreed that the ban should be for all financial services and products.¹⁹

Figure 2: Percentage of Research Community respondents who had received an unsolicited communication related to the following financial products and services

¹⁹ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 279.



Source: Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 238 people who had experienced unsolicited communication about financial products and services.

The most common products and services that Research Community respondents had received a cold call about were insurance (63%), credit products (54%), debt solutions (43%), investments (41%) and cryptocurrency (30%).²⁰ People with mental health problems are more likely to be in problem debt,²¹ and be on a low income,²² and therefore, the unsolicited selling of these products can be particularly risky for this group. Additionally we have found that people with mental health problems can struggle to access insurance, including because they are often deemed to be too risky,²³ which could make individuals more accepting of alternative and unknown providers offering them cover.

“The call made me feel uncomfortable as the caller was persistent and pressing. I got flustered as they were continuously pressing me to take out life insurance saying they were from a company that checked my life insurance annually and we're making sure I had the right amount of cover for the present day. I ended up stopping the call saying I was going to call my insurance company and check that they were representing my life insurance company. [I] felt really stressed after the call ended.” Expert by experience

²⁰ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 238 people who had experienced unsolicited communication about financial products and services.

²¹ Holkar M. Debt and mental health: a statistical update. Money and Mental Health Policy Institute. 2019.

²² Bond N and D'Arcy C. Mind the income gap. Money and Mental Health Policy Institute. 2020.

²³ Lees C. Written off? Money and Mental Health Policy Institute. 2023.

Other financial services and products mentioned by Research Community members included funeral plans and overdraft fees. Beyond financial services and products, many Research Community members talked about wanting to ban other services and products they had been cold called about such as energy, telecoms, government schemes and taxes, compensation and other products.

Question 11: Do you have any views on whether to include an exception in this cold calling ban, for situations where the caller is an FCA or PRA authorised business and there is an existing client relationship between the caller and the recipient, such that the recipient envisages receiving cold calls?

Question 12: Do you agree that the proposed approach achieves the aim of restricting unsolicited direct marketing calls in relation to financial services and products, bar the exceptions outlined, without restricting legitimate non-marketing calls?

We believe that the ban will help to reduce the amount of unsolicited direct marketing and give customers the confidence to avoid potential scams. Nearly all (93%) respondents said they would feel safer with the ban.²⁴ However, many respondents did feel that scammers would try to continue to cold call and more should be done to stop criminals from sending the messages in the first place.

We are not opposed to including the exception set out in the consultation document but think that there could be some risks with doing so, which the government would have to minimise. For example, the exception could be exploited by scammers who send communications under the guise of an existing client relation and it could add complexity to messaging around the ban. Conversely, a ban without the exception could have an unintended consequence of leading consumers to ignore any communication related to financial services and products, even if it came from a company they are a customer of. However, only one in five (20%) Research Community respondents agreed that with the ban they'd worry that all communications from their bank would be a scam with over half (52%) disagreeing.²⁵ If the ban did include the exception, to ensure it is most effective, the government and financial services would have to be very clear with customers about what communications they should expect to receive. Given the precautionary approach many people with mental health problems are already taking, this clarity would also be necessary if the exemption was not included.

²⁴ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 285.

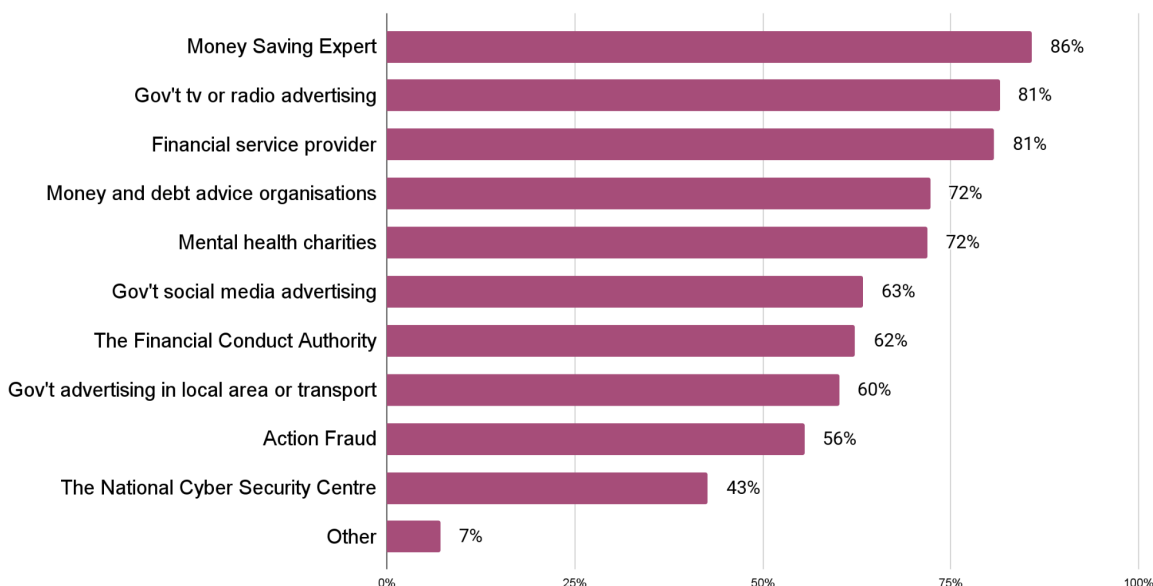
²⁵ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 249.

Question 14: How else can the government best ensure consumers are aware of the ban?

We asked our Research Community which sources they would want to see information about the ban from.

As figure 3 shows, trusted organisations including charities were some of the most commonly selected bodies. For example, 86% said they would want to see information from Money Saving Expert,²⁶ and seven in ten respectively for mental health charities (72%) and money and debt advice organisations (72%).²⁷ Respondents did want to see information from the government, with the most popular method being through TV or radio adverts, followed by social media and local adverts. Given the nature of the ban, eight in ten (81%) wanted to receive information about the ban from their financial service provider. Relevant organisations such as the FCA, Action Fraud and the National Cyber Security Centre were less common. Other sources that respondents mentioned included newspapers, TV programmes, local government and MPs, and community and health services.

Figure 3: The percentage of Research Community members who would like to receive information about the ban from the following sources



²⁶ Martin Lewis is our founder and chair of Trustees, many of the Research Community found out about it through the Money Saving Experts newsletter. This can partly explain the high percentage, but Martin Lewis has previously been found to be one of the nation's most trusted people - Cohen D. The Money Saving Expert: how Martin Lewis became the most trusted man in Britain. The Guardian. 2019.

²⁷ Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 281.

Source: Money and Mental Health survey of 294 people with lived experience of mental health problems. Base for this question: 281 people who had experienced unsolicited communication about financial products and services.

Question 15: What are the key considerations when designing the legislation to ensure that it is clear and impactful for the public?

We also asked our Research Community if there was anything the government and other organisations should consider when communicating about the ban, including when communicating with people with mental health problems. In terms of how to ensure the ban is clear and impactful, there were some clear principles that emerged from Research Community responses:

- Clarity of the message
 - Symptoms of mental health problems can include reduced attention span and having a simple and clear message about what is and isn't banned, which limits the information that people have to read to understand the message, would be beneficial.
- Make it easy to understand with no jargon
 - Mental health problems can make it harder for us to process and understand information, particularly if it is complicated, which information about financial services and products can be. Using everyday language rather than jargon to make the content easy to understand would therefore be essential.
- Lay out the information well
 - The information should be well laid out and use bullet points, summaries and colours to draw attention to key pieces of information in order to better help people with mental health problems process the information.
- Have the right tone
 - As set out in this response, many people with mental health problems feel worried about cold calling and the government should try to reassure people that this will help protect them without scaremongering.
- Include the right information
 - Communications about the ban should include important information such as examples of what is banned, how to avoid scams and how to report them. Information about how scammers would be punished if they broke the ban and a way to verify the information and check it was true would offer reassurance.
- Send it to a broad audience and making it accessible
 - The government should ensure that communications about the ban are accessible and reach as broad an audience as possible. Many people with mental health problems can find it very difficult to use or engage with certain channels such as the

phone or letters,²⁸ and so any communications campaign should take this into account

Question 18: What impacts would you expect to see on persons with the protected characteristics mentioned above as a result of a ban on cold calling for consumer financial services and products? How can the government design the ban to promote positive impacts and mitigate any disproportionate impacts on persons sharing protected characteristics?

Mental health problems can make us more vulnerable to potential scams and the ban would therefore help reduce some of this risk.

Mental health problems can be considered to be part of a disability if it has a substantial and long term negative effect on someone's ability to do normal daily activities. We estimated that 18% of the adult population - 9.5 million people - fall into this category.²⁹ Mental health problems can affect us in different ways and can be short, long-term or fluctuating. Everyone's experiences will be different and having a mental health problem does not automatically make you 'vulnerable'. However, we found previously that people with mental health problems are three times more likely to have been a victim of an online scam compared to people without mental health problems (23% to 8%).³⁰ This can be due to common symptoms of mental health problems and this was similarly reflected in how Research Community members talked about how their mental health impacts how they deal with cold callers.

For example, several respondents said that when they were unwell they found it harder to end the call or assert themselves against the cold caller

"I get social anxiety, have low self confidence and don't communicate often with anyone so I didn't know how to respond in a way that would assert myself and my rights. Because I struggle with information at times (particularly quick-fire info and pressure to respond quickly) I buckled under the pressure and agreed just to get the person to leave me alone." Expert by experience

"Cold calls make me very anxious and I find it difficult to reject things, so I go along with it until I get anxious to the point I can't cope as well, so then because I'm in a 'I can't cope' mindset then I say sorry no." Expert by experience

²⁸ Holkar M, Evans K and Langston K. Access essentials. Money and Mental Health Policy Institute. 2018.

²⁹ Holkar M. Time to act. Money and Mental Health Policy Institute. 2022.

³⁰ Holkar M and Lees C. Caught in the web. Money and Mental Health Policy Institute. 2020.

Other respondents explained how they struggle to use the phone and the stress of an unknown number can put them on the back foot and lead to them becoming flustered and unable to manage the conversation. This is a very common experience as over half (54%) of people with mental health problems find it very difficult to use the phone, which can include having panic attacks.³¹ However, some respondents did explain that they felt they had avoided scam calls given they would never answer the phone, but this would still leave them anxious whenever the phone rang.

"I hate using the phone at the best of times, so when I do answer and get a pushy salesperson, it really freaks me out." Expert by experience

Finally, many respondents talked about how they can struggle to process information when unwell and this can make it harder to discern if something is a scam or not, which can be made more difficult if they are put under pressure by the fake salesperson.

"If I'm not feeling right I can get confused and sometimes I have agreed to something that I didn't realise." Expert by experience

"When you are enduring the symptoms of [complex]PTSD, it makes you vulnerable and your level of attention to suspicious behaviour is profoundly compromised. You get caught off guard which can be terrifying when you slowly realise." Expert by experience

Beyond the direct ways that the experience of mental health problems can potentially increase our risk of being the victim of a cold call scam, we can also find ourselves in situations that might make us more vulnerable. As set out in our answer to question 9, people with mental health problems are more likely to be in financial difficulty which could make 'too good to be true' offers made over the phone or at the door more attractive. Some respondents talked about how they had found themselves tempted by cold callers because of their financial situation and feeling unable to access financial services and products through a more conventional route.

"I always feel like prey. It's too tempting and I have to remind myself I'm not good with money so shouldn't take anything else on. I feel miserable that I'm like this and it makes me feel bad for the rest of the day. I also feel frustrated. Life is hard and more money for basics would really help but I have to remind myself that it would just get me into more debt I can't pay. I also feel afraid that one day the temptation will be too much and I'll give in and be back where I started." Expert by experience

³¹ Holkar M, Evans K and Langston K. Access essentials. Money and Mental Health Policy Institute. 2018.



"It's so annoying but the whole financial situation is broken, vulnerable people can't access mainstream financial products." Expert by experience

Given this heightened risk and the substantial impact that cold calling can have on people with mental health problems, we believe that this ban would help many people avoid potential scams. However, symptoms like impaired memory and difficulty processing information could mean that people with mental health problems will still be caught off guard when unwell. The government should therefore make sure that information about the ban is made accessible and sent out to as many people as possible. Furthermore, more needs to be done to stop scammers at the source to prevent the harms we have identified.