

Money and Mental Health submission to the Money and Pensions Service consultation on proposals for the delivery of its debt advice strategy

Introduction

The Money and Mental Health Policy Institute is a research charity established in 2016 by Martin Lewis to break the link between financial difficulty and mental health problems. The Institute's research and policy work is informed by our Research Community, a group of 5,000 people with lived experience of mental health problems or of caring for someone who does.

This written submission has been informed by this powerful, lived-experience testimony and our wider body of research. In particular, it draws on two of our research projects: *Help Along the Way*, which explored how to improve the accessibility of debt advice services for people with mental health problems and was sponsored by MaPS;¹ and research from 2022 with 193 people with severe mental illness (SMI) about their needs in accessing debt advice while acutely unwell. Our response addresses 18 of the 33 questions from the consultation.

Background

- **Nearly half (46%) of people in problem debt have a mental health problem.**² During the pandemic, people with mental health problems were over three times as likely to have fallen into problem debt than the wider population (15% compared to 4%). They're more likely to be in debt for larger amounts and are nearly twice as likely to owe more than 50% of their annual net income.³
- **People with mental health problems are less likely to be able to meet their everyday living costs.** National polling in 2021 found that almost half (48%) of people with mental health problems had taken out new credit and over a third (35%) had done so to pay for essential living costs such as food, heating or housing.⁴
- **Challenges meeting essential living costs mean people with mental health problems are more likely to be in a deficit budget.** Nearly 5 million people are in a negative budget, building up debt to get by. A further 2.35 million are only escaping a negative budget by cutting their essential spending back to unsafe levels to keep their heads above water.⁵ Four in ten (41%) of the people Citizens Advice help with debt have mental health problems and are struggling with a negative budget.⁶ One in five (19%) of

¹ Bond, N & Holkar, M. Help along the way. Money and Mental Health Policy Institute. 2020

² Money and Mental Health Policy Institute. [The facts](#). Accessed: 07/11/22)

³ Bond N and D'Arcy C. The state we're in. Money and Mental Health Policy Institute. 2021

⁴ Money and Mental Health analysis of online polling conducted by Opinium. 5,001 people with mental health problems. Surveyed between 25 June and 22 July 2021.

⁵ Citizens Advice. The National Red Index: how to turn the tide on falling living standards. 2024

⁶ Martin J and Lane J. Negative budgets: a new perspective on poverty and household finances. Citizens Advice. 2020

new clients to debt advice charity Christians Against Poverty reported that mental ill-health was the primary reason for their debt crisis.⁷

- **With a higher likelihood of deficit budgets, people with mental health problems face additional barriers to engaging with debt advice services.** Common symptoms of mental health problems, such as difficulties communicating, impaired clarity of thought and reduced concentration or problem-solving, can make accessing and acting on debt advice more challenging.⁸
- **The consequences of mental health problems and unaddressed financial difficulties can be devastating.** Even after controlling for age, gender and employment, people in problem debt are still 1.8 times as likely to have thought about suicide in the last year.⁹
- **As the cost of living crisis has become more entrenched, it's continued to take a toll on not only people's pockets but their mental health.** Given the cyclical nature of financial difficulties and mental health problems, we're concerned about rising numbers of people with mental health problems who are in a deficit budget and, similarly, increases in the number of people in a deficit budget who develop mental health problems.

Chapter 1: The debt advice services that MaPS funds now and what we could commission in the future

Q1. Do you agree that MaPS continuing to commission a range of debt advice service models is the best way to make debt advice accessible and available for those who need it? (Please provide supporting evidence where appropriate)

The Money and Mental Health Policy Institute agree that MaPS should continue commissioning the four debt advice service models specified in the consultation: nationally accessible contact centres, digital-led advice, community-based, and in-person support services. However, we disagree with MaPS' assertion that this range of services is the best way to make debt advice accessible and available to those who need it. Instead, MaPS should incorporate an understanding of clients mental health support needs in accessing debt advice. Ensuring services are proportionately commissioned to meet these different cohorts of support needs.

Half of people in problem debt also have a mental health problem.¹⁰ People with mental health problems are overrepresented among debt advice clients, with almost half (46%) of those in need of debt advice experiencing mental health problems.¹¹ We welcome the progress MaPS

⁷ Christians Against Poverty. On the edge: Client report. June 2022

⁸ Bond N and Holkar M. Help along the way. Money and Mental Health Policy Institute. 2020

⁹ Money and Mental Health analysis of online polling conducted by Opinium. 5,001 people with mental health problems. Surveyed between 25 June and 22 July 2021.

¹⁰ Money and Mental Health Policy Institute. [The Facts](#). (Accessed: 27/03/24)

¹¹ *Ibid.*

has made over the last few years towards increasing the accessibility of debt advice for people with mental health problems. But there is still more to do.

Debt advice service models that primarily focus on channel delivery are insufficient

MaPS's current debt advice provision and commissioning model is based primarily on the channel through which debt advice is delivered - national contact centres, digital journeys and community-based services. This simplifies the provision of debt advice to delivery channel. The assertion is that using various debt advice delivery models is the best way to make debt advice accessible to those who need it. But, this idea misses some critical points.

There is an inherent tension in commissioning debt advice services that are both widely available and accessible to those who need them.

- **Availability** can be significantly increased through offering debt advice via less resource-intensive channels. These include remote delivery and digital self-serve journeys. This, and the progress of artificial intelligence (AI), provides an exciting opportunity to serve more people than ever before. We agree with MaPS's approach in harnessing the power of remote and AI provisions to offer debt advice to more people.
- **Accessibility** - For debt advice to be accessible, we must go beyond thinking about the contact channel. Accessing debt advice through a range of channels is essential. It allows people to access advice through their preferred medium. However, accessibility also requires understanding people's capabilities and needs and how best to respond to those capabilities and needs.

People with mental health problems have specific support needs when accessing debt advice, for example:

- **Symptoms of common mental health problems (CMDs)** - such as difficulties communicating, impaired clarity of thought, and reduced concentration or problem-solving skills, can make it difficult for people with mental health problems to engage with debt advice.¹²
- **Symptoms of severe mental illness (SMI)** - including acute difficulties and impairments with comprehension or ability to function day to day, can make accessing and engaging with mainstream debt advice overwhelming and acting on advice impossible.¹³

Understanding these needs is crucial to helping people access a suitable debt advice service from which they can engage and benefit.

¹² Bond N and Holkar M. Help along the way. Money and Mental Health Policy Institute. 2020

¹³ Bond, N. Access to debt advice: the needs of people with serious mental health problems. Money and Mental Health Policy Institute. 2024

MaPS must go beyond commissioning a range of service models based on delivery channels to ensure that debt advice is accessible and available to all people who need it. Below, in response to Question 2, we present an alternative approach based on client needs as a challenge to the current model of commissioning debt advice, which is primarily based on delivery channels.

Q2. Do you have any additional evidence or insight that would help MaPS to decide on the level of capacity that is needed across the range of services it funds (nationally accessible to community and place-based)? (Please provide supporting evidence where appropriate)

Debt advice need has long outstripped supply. In 2023, 8.1 million adults in the UK were identified as needing debt advice.¹⁴ The number of people who received debt advice in 2023 is unavailable. But, in 2019, MaPS reported that just under one-third (32%) of people in England who needed debt advice accessed it. Based on these calculations, we estimate that 2.6 million people accessed debt advice in the UK in 2023, leaving 5.5 million people with an unmet need.¹⁵

There are numerous reasons, personal and systemic, why those needing debt advice might not access it. In our report, *Help Along the Way*, we explore some of these reasons and make proposals for how people with mental health problems can be supported to access debt advice sooner.¹⁶ Here, we focus on evidence to inform the level of debt advice capacity needed across the range of MaPS-funded services. To do that, we share insights on how commissioning models can cater to people's need to access debt advice through specific delivery channels and their support needs.

Cuts to funding for community-based services pose a disproportionate risk to people with mental health problems

It is sensible for those who can, to be routed through self-directed and digital debt advice journeys, as this allows the greatest number of people to be served with the lowest resource implications. Inevitably, more resource intensive services should be reserved for those who need them. We have historically raised and continue to have concerns about the proportionality of funding to each of the four debt advice service delivery models. Recent funding decisions have heavily favoured national delivery. This has the benefit of serving more people quickly, but it risks people with additional needs missing out. Specifically, clients experiencing mental health problems might fall through the cracks.

¹⁴ Das, P. [The UK's debt landscape in 2023](#). MaPS. 2024 (Accessed: 27/03/24)

¹⁵ Money and Mental Health analysis of Das, P. [The UK's debt landscape in 2023](#). MaPS. 2024 (Accessed: 27/03/24)

¹⁶ Bond N and Holkar M. *Help along the way*. Money and Mental Health Policy Institute. 2020

For 2023/24, MaPS hugely stepped up funding for national (telephone and digital) debt advice delivery.¹⁷ This strategy allows MaPS to provide debt advice to more people for less. As Table 1 shows, telephone or digital debt advice journeys cost one-fifth of that of face-to-face advice sessions. However, this has partly been at the expense of community-based and face-to-face debt advice provision. We welcomed MaPS' decision in 2022 to reverse its proposed funding cut to community-based debt advice.¹⁸ We were, however, disappointed to see in the 2023/24 agreements (detailed below), that MaPS reduced grant funding for community-based debt advice agencies by 10%.¹⁹

Table 1: MaPS debt advice funding by service delivery model and speciality

Debt advice service model	Providers	Per year to deliver debt advice	% funding to each service delivery model	Cost of debt advice session
Mental Health Crisis Breathing Space (MHCBS)	<ul style="list-style-type: none"> Currently out for tender, formerly Rethink 	£4.3m for a 28mth period 01/10/24 to 31/01/27 Equates to £155k p/m	3%*	Unknown However, reported unit costs of up to c.£450 to £500 for clients with complex needs for non-MaPS commissioned services. ²⁰
Community based	<ul style="list-style-type: none"> Citizens Advice Debt Free Advice East Midlands Money Advice Greater Merseyside Money Advice Partnership 	£65m for a 26mth period 01/02/23 to 31/03/25 Equates to £2.5m p/m	44%*	£188 (face to face). ²¹
National delivery	<ul style="list-style-type: none"> Citizens Advice Money Advice 	£111m for a 36mth period 01/02/23 to	54%	£36.40 (telephone/digital). ²²

¹⁷ MaPS. [Funding and operating models of the debt advice sector](#). 2024 (Accessed: 27/03/24)

¹⁸ Bond N. Recommissioning debt advice: meeting the needs of people with mental health problems. 2021

¹⁹ Debt advice services lack the capacity to cope with the cost-of-living crisis. We Are Debt Advisers. August 2023.

²⁰ MaPS. [Funding and operating models of the debt advice sector](#). 2024 (Accessed: 27/03/24)

²¹ *Ibid*

²² *Ibid*

	<ul style="list-style-type: none"> Trust Money Wellness 	31/01/26 Equates to £3.1m p/m		
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Adapted from MaPS consultation on proposals for the delivery of its debt advice strategy

** Percentages based on current approximate monthly spend. (Illustration does not include Business Debt or Debt Relief Order hubs)*

Table 1 shows how currently around 54% of funding goes to national delivery and 46% goes to community-based delivery and MHCBS. Given the significantly lower delivery cost of national services, it's easy to understand why funding has been focused on national delivery, serving more people for less. But community-based services cost over five times more to deliver each session than national delivery services, and therefore, can only serve one community-based client to every five national delivery clients. This funding inequality fails to account for the complex needs of those accessing community based services. In the following section we present an illustration of the proportionality of funding to meet the different needs of people with mental health problems who are in need of debt advice.

Services that cater to the diverse needs of people with mental health problems

People with mental health problems are not a homogenous group and have different needs and capabilities. People's needs change based on their circumstances. Here, we present all illustrative examples that segment debt advice clients by need and propose a service delivery model to meet those needs. We base our modelling on the following assumptions:

- MaPS identified 15% of the UK adult population as needing debt advice in 2023, equivalent to 8.1 million people.²³
- In 2020, MaPS published their UK Strategy for Financial Wellbeing,²⁴ alongside their Delivery Plan for England,²⁵ where they reported that 32% of people in England who needed debt advice accessed it in 2019, representing 1.5 million people. MaPS is the largest single funder of debt advice in England, funding just over a quarter of this provision.²⁶
- People with mental health problems are overrepresented among debt advice clients, with almost half (46%) of those in need of debt advice experiencing mental health problems.²⁷
- MaPS has set an ambitious target for the numbers of people accessing debt advice in 2030, this is roughly double the number of people served in 2019.²⁸

²³ Das, P. [The UK's debt landscape in 2023](#). MaPS. 2024 (Accessed: 27/03/24)

²⁴ MaPS. The UK Strategy for Financial Wellbeing 2020-2030. 2020.

²⁵ *Ibid*

²⁶ MaPS. Consultation on MaPS proposals for the delivery of its debt advice strategy. 2024

²⁷ Money and Mental Health Policy Institute. [The facts](#). (Accessed: 07/11/22)

²⁸ MaPS. The UK Strategy for Financial Wellbeing 2020-2030. 2020.

Our modelling below takes these previous achievements and ambitions to consider what delivering debt advice could look like if we were to tailor provision according to people's mental health needs and capabilities.

Table 2: Illustration of proportionality of funding in England by 2030 for debt advice based on the 46% (equivalent to 2.1 million) of people in need of debt advice who are experiencing mental health problems by segmentation of need

Impact of mental health problems on functioning	Details and level of additional need	Delivery model		
		Support level	Channel	Service delivery model
<p>A Severe impact (22%)</p> <p>Equates to 465k people</p>	<p>Very high People who are acutely unwell and/or whose mental health problems <i>severely</i> impact their ability to function day to day. These may include people who are hospitalised or under the care of Community Mental Health Teams (CMHTs)</p>	Proactive specialist case management and casework	Complex telephone and in-person (Outreach to CMHTs or inpatient facilities)	Specialist services provision
<p>B Significant impact (27%)</p> <p>Equates to 570k people</p>	<p>High People who are unwell and whose mental health problems <i>significantly</i> impact their ability to function day to day.</p>	Specialist case management and casework	Complex telephone and in-person	Community/ Locality-based and specialist service provision
<p>C Slight impact (26%)</p> <p>Equates to 549k people</p>	<p>Medium People who experience some <i>slight</i> cognitive and psychological challenges arising from their mental health problems which can make engaging with debt advice tricky</p>	Guided support	Digital and telephony	National Based on Universal Design principles and <i>tailored</i> to clients' needs



D None (25%) Equates to 528k people	Low People with mental health problems but who do not feel this impacts their day-to-day functioning	Self-directed, guided support and signposting	Digital and telephony	National Based on Universal Design Principles
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Illustration of proportionality of people with mental health problems whose impact on their day-to-day functioning is classified as either severe, significant, slight, or none. Estimates of impact of mental health problems on functioning come from Money and Mental Health Policy Institute analysis of Wave 13 of the Understanding Society UK Household Longitudinal Survey.²⁹ Further research is recommended to fully understand the population need and services and delivery channels to meet those needs. All percentages are weighted figures. Population level figures are calculated from the expected outreach to people with mental health problems in line with MaPS 2030 Debt Advice targets.

Getting closer to meeting the debt advice needs of the 49% of people with mental health problems with very high or high debt advice needs will inevitably require a significant trade-off between specialist and nationally accessible services. To continue with the current weighting of funding towards nationally accessible debt advice services, MaPS risks disproportionately providing debt advice to easy-to-serve clients through digital routes at the expense of those with more complex needs. Therefore, below, we propose four measures to ensure the debt advice needs of people with mental health problems can be met.

1. Increase funding for debt advice and introduce a debt advice levy for utility providers

Ensuring we meet the debt advice needs of the just over one million people whose mental health problems have a *severe* or *significant* impact on their day-to-day functioning is a huge, but incredibly important task. This will be difficult to achieve with the current £80m of MaPS funded debt advice each year,³⁰ and therefore, requires a significant increase in funding.

Priority debts from essential service firms, including energy, telecoms and water, are an increasing reason why people need debt advice. Therefore, in addition to increased funding, MaPS, the FCA and other essential services regulators should introduce a debt advice levy for utility providers.

²⁹ Using thresholds for the SF-12 Mental Health Component from Sanderson and Andrew's 2002 paper *Prevalence and Severity of Mental Health-Related Disability and Relationship to Diagnosis*, we categorised the UK population into groups of impact on mental health. These thresholds relate to an Australian population, but as other papers have noted, SF-12 thresholds can be readily applied to other contexts.

³⁰ MaPS. Consultation on MaPS proposals for the delivery of its debt advice strategy. 2024

2. MaPS should undertake a thorough assessment to consider how best to meet the needs of people with mental health problems accessing debt advice

In Table 2 above, we have proposed an illustrative example of a new funding model which caters to the accessibility needs of the almost half of those in need of debt advice who are experiencing mental health problems.³¹ There are different ways that we could assess the accessibility needs of debt advice clients with mental health problems, and the proportionality of funding required to cater for this. This new illustration is our best estimate, and brings together our existing knowledge of the needs of people with mental health problems and new analysis of Understanding Society to form a picture of the levels of need among this group. MaPS should build upon our work, and complete their own assessment to consider the proportionality of funding that would best meet the needs of people with mental health problems.

3. Commission a wide-scale review of debt advice funding based on client need

The Peter Wyman Review of Debt Advice Funding was published in 2018, and among a series of recommendations, proposed shifting 15% of face-to-face demand to telephone advice, and 20% of telephone demand to webchat advice.³² The debt advice landscape has changed unrecognisably in the eight years that have followed, not least with the pandemic and acceleration of remote service provision, and a cost of living crisis which has squeezed household budgets enormously. This together with increasing awareness and understanding of the cyclical relationship between financial difficulties and mental health. Therefore, we recommend MaPS undertake a wide-scale review of the future funding of debt advice. This should incorporate considerations around access and availability needs as illustrated above, to inform the proportionality of debt advice funding models and ensure that the needs of the 46% of those in need of debt advice with mental health problems are catered for. Specifically the five in ten (49%) of whose mental health problems have a severe or significant impact on their day-to-day functioning.³³

This should include learning from existing services that specialise in supporting people with mental health problems and debt advice remotely through telephone services, such as Mental Health and Money by Rethink.³⁴ This would enable MaPS to understand the true cost of telephone debt advice to people with mental health problems that severely or significantly impact their day-to-day functioning. Enabling them to forecast the cost of such services, which are likely to fall between the current figures of £36.40 for remote delivery and £188.00 for

³¹ Money and Mental Health Policy Institute. [The facts](#). (Accessed: 07/11/22)

³² Wyman P. Independent Review of the Funding of Debt Advice in England, Wales, Scotland and Northern Ireland. The Money Advice Service. 2018.

³³ Money and Mental Health Policy Institute analysis of Understanding Society, see footnote 29.

³⁴ [Mental Health & Money Advice](#). (Accessed: 28/03/24)

face-to-face services.³⁵ This would allow MaPS to more proportionately allocate funding based on need.

4. Short-term prioritisation to ensure the needs of people with acute and severe mental health problems are appropriately catered for

We recognise a full scale review will take time. In the short term, as a priority, to ensure that the needs of people most acutely unwell can be met in the interim period, HMT and MaPS should invest in a specialist mental health and debt advice service targeted at the almost one million people whose mental health problems impact on their day-to-day functioning to a severe or significant level, as detailed in versions A and B of Table 2 above.

Versions A and B of this service would complement and could sit within the MHCBS services. This service should be designed and delivered around the needs of people with severe and significant mental health problems by:

- Offering support proactively and reaching out to people
- Delivering the service (remotely and in-person) where people are in greatest need - in psychiatric hospitals and Community Mental Health services
- Equipping advisors with the training to understand how severe and significant mental health problems can impact people's capabilities
- Offering casework as standard and tailoring tasks to people's capabilities
- Delivering casework income maximisation services as standard
- Designing a Quality Assurance framework around the needs of people with severe and significant mental health problems.

Complex casework has long been considered best dealt with by local and face-to-face debt advice services, for a myriad of reasons including local knowledge and difficulties supporting complexity remotely. However, MaPS should publish and review the MHCBS evaluation, and consider this alongside the success of remote delivery services to clients with mental health problems delivered by Mental Health & Money Advice at Rethink, which has a long history of successfully supporting clients with dual needs.³⁶

Funding and access to a specialist service such as this should be ring-fenced for people with severe or significant impact of mental health problems on day-to-day functioning. This would ensure the needs of these groups in accessing debt advice are catered for and go a long way to ensuring those most at risk of harm to their finances and mental health are supported.³⁷

³⁵ MaPS. [Funding and operating models of the debt advice sector](#). 2024 (Accessed: 27/03/24)

³⁶ [Mental Health & Money Advice](#). (Accessed: 28/03/24)

³⁷ Bond, N. Access to debt advice: the needs of people with serious mental health problems. Money and Mental Health Policy Institute. 2024

One way of delivering ring-fenced services is through established partnerships between MaPS-commissioned debt advice services and local NHS Trusts. There are pockets of excellent examples of where this already exists, such as co-located debt advice and welfare rights services working in conjunction with mental health services in Sheffield and Hertfordshire.³⁸ However, these vital services that are very much the exception rather than the norm are often subject to insecure and temporary funding arrangements.

Driven by good local partnerships and dedicated leaders in the debt advice and mental health sector. MaPS should:

- Appropriately fund and ring-fence funding for complex debt advice services in the community
- Develop and expand the provision of mental health specialist telephone-based money advice for complex case management, learning from the success of Mental Health and Money at Rethink
- Through commissioning, require services to provide evidence they can offer these services in primary and secondary mental health services, such as GP practices, IAPT services, CMHTs, recovery colleges and psychiatric hospitals.

Q3. Should MaPS change the scope of the services that it funds (see Appendix A), given increased debt advice case complexity? If so, how? (Please provide supporting evidence where appropriate)

The scope of services MaPS currently funds includes but is not limited to, a) acting on any debt emergencies identified, b) checking and challenging liability for debts where appropriate, and c) preparing a budget and standard financial statement (SFS). This scope of service provision does not reflect the changing needs of debt advice clients, nor specifically the increase in case complexity. The increasing case complexity since the pandemic and the cost of living crisis has, in large part, been driven by the increasing:

- **Number of people in deficit budget** - The Citizens Advice National Red Index shows 5 million people in a negative budget, up from 6.34% of the population in 2019-20 to 7.67% in 2023-24.³⁹
- **Number of people with priority debts** - the number of households behind on their gas and energy bills, with no arrangement in place to repay, has reached its highest level since records began in 2012.⁴⁰

³⁸ Co-located debt advice and welfare rights services operate in a number of mental healthcare services, including outreach services in mental health hospitals, and co-located services in CMHT's, such as those run by Citizens Advice in Birmingham and Sheffield or local authority-run services in Hertfordshire.

³⁹ Citizens Advice. The National Red Index: how to turn the tide on falling living standards. 2024

⁴⁰ Odamtten, F and Pittaway, S. In too deep? Resolution Foundation. 2024

- **Prevalence of people with Common Mental Disorders (CMD)** - there has been an increase of 3.9 percentage points increase in the population with “some evidence indicating depression or anxiety” between 2019 and 2021.⁴¹

Each of these drivers is a devastating problem in its own right. Combined, these challenges equate to increasingly complex cases, which require highly skilled and trained debt advisors to work with clients to find a resolution. To begin to tackle these challenges, we propose that MaPS change the scope of the services that it funds in the following four ways.

1. Raise the bar by requiring debt advice providers to offer a minimum of ‘advice only’ income maximisation services as standard

Persistent low incomes from benefits or wages mean people cannot meet basic living costs, often driving deficit budgets.⁴² Formal debt solutions can be out of reach for people with a deficit budget, leaving income maximisation as a key tool in tackling deficit budgets. This challenge is compounded for people with mental health problems who may be unable to work due to their mental health problems and are reliant on low levels of benefits. For others, challenges in the workplace means that people with mental health problems can struggle to secure employment and retain or progress in work.⁴³

Income maximisation services should be a crucial tool in addressing the financial difficulties faced by people with mental health problems and deficit budgets. Access to high-quality, thorough income maximisation services is vital for people with mental health problems, who may, due to the cognitive and psychological effects of their mental health problems, require a greater level of support to maximise their income. Where incomes can be maximised through interventions such as benefit take-up or support to use comparison websites to reduce bills, this can make a significant and sustained difference.

As such, there should be no debt advice without full and comprehensive income maximisation being available where required, and debt advice services should be equipped to deliver this in full according to a client's needs. However, shortcomings in how income maximisation services are conceived, commissioned and delivered mean the current system is failing people in need.

In MaPS’ 2022 call for evidence on debt advice for clients with deficit budgets, they proposed that income maximisation support should be limited to what is available as part of a provider's existing service. We believe this is wholly insufficient. A lack of clarity about what is included in income maximisation means support to deficit budget clients varies hugely. Income maximisation is an important route to help reduce deficits for many clients. However, the lack of

⁴¹ Money and Mental Health Policy Institute analysis of [Measuring National Well-being: Domains and Measures](#)

⁴² Christians Against Poverty. Unlocking a new start. 2019

⁴³ Bond N and D’Arcy C. Mind the income gap. Money and Mental Health. 2021

clarity around what counts as income maximisation means how the debt advice sector supports deficit budget clients differs significantly between services, and even from advisor to advisor.

Currently, MaPS only stipulate that debt advice services provide clients with ‘initial contact’ income maximisation services, which only require services to identify income maximisation opportunities. Beyond ‘initial contact’, it is up to providers to decide on the level of income maximisation activity that their organisation offers their debt advice clients.⁴⁴ This blanket approach does not allow for clients differing needs and capabilities in acting on income maximisation opportunities that have been identified. Where services offer ‘initial contact’ only, common symptoms of mental health problems (such as difficulties communicating, impaired clarity of thought and reduced concentration skills) can make acting on income maximisation advice challenging for some, and impossible for others.⁴⁵

Table 3 shows the four levels of income maximisation provision that debt advice services can offer. ‘Initial contact’ is the least intensive service, increasing in intensity and provision up to ‘court representation’.

Table 3: Levels of support with income maximisation and requirements of clients

Level	What it is and what it looks like in practice	Expectations of client
Initial contact	<u>Identify</u> income maximisation opportunities Signposting to what people <i>might</i> be entitled to.	<ul style="list-style-type: none"> ● Comprehend ● Research ● Understand/assess eligibility ● Act on / apply ● Make their case ● Advocate for self
Advice only	<u>Tailor</u> income maximisation <u>advice</u> Based on an understanding of the client's situation, advising a client what they're likely to be entitled to, what it is and why they're entitled to it, and how to apply.	<ul style="list-style-type: none"> ● Comprehend ● Act on / apply ● Make their case ● Advocate for self
Casework / Specialist	<u>Practical</u> income maximisation	<ul style="list-style-type: none"> ● Comprehend

⁴⁴ The Money Advice Services. [Income Maximisation Guidance: resources for debt advisors](#). 2018

⁴⁵ Bond N and Holkar M. Help along the way. Money and Mental Health Policy Institute. 2020

	Based on a detailed understanding of a client's situation, advising a client of what they're entitled to, why, and support to, or making an application on their behalf.	
Court representation	<p><u>Challenge</u> income maximisation</p> <p>Based on a detailed understanding of clients' situations, advocating for them, and building a case to challenge a decision.</p>	<ul style="list-style-type: none"> ● Comprehend

*Adapted from Income Maximisation Guidance: resources for debt advisors.*⁴⁶

We believe in creating an environment where clients are empowered to do what they can for themselves. Yet, the default working model of 'initial contact' needs to be revised. 'Initial contact' income maximisation services is akin to signposting, which MaPS have already identified is insufficient elsewhere in the debt advice referral system, with research showing that only 5% of financial services customers ever act on signposting to sources of free debt advice.⁴⁷

2. Introduce an assessment framework to understand clients' accessibility needs arising from their disability

Many people with mental health problems will be able to understand and act on advice given by debt advice providers. Others need support to understand, weigh up and retain information pertinent to the decision about which debt advice solution to opt for. Ensuring services are sufficiently equipped with the skills and infrastructure to do this is crucial.

We recommend MaPS work with experts and people with experience of mental health problems to devise a framework for services to assess a customer's ability to act on advice. MaPS' current scope of services specifies: "Where needed—[debt advice providers should] carry out casework; advocate on behalf of customers; support customers with any follow-up actions they are struggling with." However, currently, there is no framework to guide services in understanding or assessing what 'where needed' means.

Currently, informal assessments and decisions about how much support to provide are left to individual debt advisors, often meaning those with more experience (lived or otherwise) are better equipped to support those with mental health problems. This means clients with mental

⁴⁶ The Money Advice Services. [Income Maximisation Guidance: resources for debt advisors](#). 2018

⁴⁷ Working collaboratively with debt advice agencies: a strategic toolkit for creditors. Money & Pensions Service and the Money Advice Service. December 2020.

health problems may receive a very different experience depending on which debt advisor they are allocated. An assessment framework would ensure the debt advice process meets their needs.

3. Acutely unwell clients should be provided with income maximisation casework services as standard

For clients who are acutely unwell and whose mental health problems severely impact their ability to function day to day or who are either hospitalised or under the care of Community Mental Health Teams (groups A or B of Table 2 above), income maximisation casework should be provided as standard.

This enhanced level of service is in recognition of both the acute difficulties acutely unwell people can face, which is likely to make accessing acting on 'initial contact' or 'advice only' income maximisation impossible.⁴⁸ Our research found that people with SMI placed a high priority and value on income maximisation services when accessing debt advice. In a survey from 2022, we found that almost half (48%) of people with severe mental illness said that checks to see if there are benefits or entitlements they might be able to claim was one of the top priorities when seeking debt advice, closely following by over a third (34%) of respondents prioritising support to apply for benefits or entitlements (casework).⁴⁹

4. Introduce mandatory mental health training for all debt advisors across national and community-based service provision

In the commissioning process from 2021, MaPS made substantial changes to debt advice funding and service delivery models, one aspect that received less attention was the new stipulation for specific mental health training requirements in regional contracts.⁵⁰ This addition was extremely welcome. Yet, it was concerning that national contracts did not include the same. Given the proportionality of funding weighted towards national service, this risks those accessing debt advice services through national delivery not being met with services that were accessible or tailored to their needs. MaPS should introduce mandatory mental health training for all debt advisors across national and community-based service provision.

Q4. Do you have any views on how this work should be prioritised or additional views you want to share? (Please provide supporting evidence where appropriate)

In the previous question, we made four recommendations for how MaPS should change the scope of the services it funds alongside evidence to support our case. Here, we detail these

⁴⁸ Bond, N. Access to debt advice: the needs of people with serious mental health problems. Money and Mental Health Policy Institute. 2024

⁴⁹ *Ibid*

⁵⁰ MaPS. Statement of Requirements: Commissioning Debt Advice in England. Lots 1 & 2. July 2021

recommendations in order of priority, balancing making a positive impact on all clients, ease of operationalisation and funding and resource considerations.

- **Priority 1: Introduce mandatory mental health training for all debt advisors across national and community-based service provisions** - Extending the requirement for all debt advisors to have mandatory mental health training from the current community-based contracts to national contracts, too, will go some way to levelling the playing field in ensuring whichever channel and service people arrive at, that they receive a service which understands and can adapt to their mental health needs. Ensuring debt advice is accessible, raising the likelihood that people will be able to engage in the whole debt advice process towards a successful resolution. This is our preferred priority, as it is a relatively quick win that would improve everyone's debt advice journeys, and the training and infrastructure are already in place.
- **Priority 2: Raise the bar by requiring debt advice providers to offer a minimum of 'advice only' income maximisation services as standard** - In the aftermath of the pandemic and cost of living crisis, which has taken a significant toll on people's finances and incomes and rising rates of deficit budgets, ensuring people receive their benefit entitlements and wider support to maximise their incomes has to be a priority. Introducing this as a standard feature of debt advice would support all those who need support.
- **Priority 3: Acutely unwell clients should be provided with income maximisation casework service as standard** - Offering income maximisation casework as standard to people who are acutely unwell and/or with SMI, recognises the cognitive and psychological impairments that clients in this group are likely to experience. Providing income maximisation casework as standard will ensure that the service is delivered in a way that people can access and benefit from it.
- **Priority 4. Introduce an assessment framework to understand clients' accessibility needs arising from their disability** - Introducing a standardised assessment framework will support debt advice services to identify clients whose health or disability impacts their ability to access and engage with debt advice. This would support services to move beyond relying on proactive disclosure on the client's part to a service that appropriately tailors support to people's needs. A framework could also be incorporated into digital debt advice journeys to help people get the level of support they need, regardless of where in the debt advice system they enter.

Q5. Do you agree that MaPS should continue to provide these services? (Please provide supporting evidence where appropriate)

The Money and Mental Health Policy Institute broadly favours MaPS continuing to provide Business Debt Advice Services, Debt Relief Order Hubs and the Mental Health Crisis Breathing Space (MHCBS) Service. Our substantive evidence below strongly supports MaPS continuing to provide MHCBS specifically.

During a mental health crisis, a person may experience acute distress or altered reality, their cognitive capacity may fluctuate, and their psychological or emotional state may reduce their ability to cope with everyday tasks and make it impossible to stay on top of their finances.⁵¹ We found that more than eight in ten (86%) research respondents experienced financial harm while under secondary mental health care, such as an inpatient stay or crisis care in the community. More than half (55%) reported that they missed a payment for an essential bill such as a mortgage, rent, energy or council tax while receiving mental health treatment and support.⁵²

MHCBS offers people in these circumstances, either while being cared for in hospital or in the community, a lifeline from debt collection practices and escalating fees and charges when people can least afford it and when they are too unwell to deal with creditors' collections activity themselves.

However, given these findings, it is surprising that there have been so few MHCBS applications since the statutory scheme began. The current utilisation of MHCBS is significantly below its potential or the numbers forecast by HM Treasury, which estimated that 30,000 people would enter MHCBS in 2022-23, rising to 54,000 by 2030-31.⁵³

The service is falling significantly short of reaching these figures. In 2022-23 just 1,344 entrances were made into MHCBS, representing just 4.5% of the 30,000 entrances to MHCBS that HMT forecast for that period. This is a persistent trend, with just 3,426 entrances since the scheme began in May 2021.⁵⁴

Low take-up of MHCBS is not a sign of low need or demand for the service but poor implementation. In fact, our new analysis found that almost 19,000 people were in a mental health crisis in hospital or community in 2021-2022—and based on conservative evidence of the prevalence of financial difficulties among this group who were likely to benefit from MHCBS.⁵⁵

Despite the evident need, how the service is designed and delivered means that it is woefully underutilised. Therefore, as we'll explore in the following question, MaPS should move beyond

⁵¹ Bond, N. Braverman, R. and Clarke, T. Recovery Space. Money and Mental Health Policy Institute. 2018.

⁵² Bond, N and Preece, G. Not a secondary issue. Money and Mental Health Policy Institute, 2022

⁵³ HM Treasury. Breathing Space Impact Assessment. 2019

⁵⁴ The Insolvency Service. Official Statistics – [Monthly Insolvency statistics](#). March 2024.

⁵⁵ Money and Mental Health Policy Institute Analysis of [NHS Mental Health Bulletin, 2021-22 Annual Report](#) and [NHS Learning Disability Services Monthly Statistics Bulletin](#) between April 2021 and March 2022.

continuing to provide this service to, within their broader remit, promoting the service and ensuring it is available and accessible to those who need it.

Q6. Do you have any additional evidence or insight that would help MaPS to decide on the level of capacity that is needed for these services? (Please provide supporting evidence where appropriate)

There is a clear tension between the obvious level of need for MHCBS and the relatively small number of entrances to the service. We have always maintained that this is not about there not being a need for the scheme, but specifically:

- **Low awareness among a range of health professionals**—A wide range of healthcare professionals (HCPs) are involved in the day-to-day care of people in crisis, in regular close proximity, and support people with their basic living and care needs. Such HCPs could play a significant role in identifying people who may benefit from MHCBS, but awareness of the mechanism is low, especially outside of Approved Mental Health Practitioners (AMHPs).
- **The narrow range of professionals who can sign off on a person being in crisis** - Only a narrow range of professionals, specifically AMHPs, can attest to a person being in mental health crisis. Given AMHP's crucial role in undertaking Mental Health Act Assessments, the increasing demand for their service,⁵⁶ and the England-wide AMHP shortage,⁵⁷ designing a vital and lifesaving service that can only be triggered and signed off by an already overstretched workforce significantly limits the number of people in crisis who could benefit from the scheme. Before the middle of last year, HMT had been planning on extending the range of professionals that can attest to someone in crisis to widen the gateway to the scheme. However, with the shelving of the Statutory Debt Repayment regulations, despite HMT saying they would progress the MHCBS challenges that fell under that remit, this has fallen by the wayside.
- **Finances are not routinely enquired about as part of a holistic care package** - Despite more than eight in ten (86%) survey respondents reporting experiencing financial harm while under secondary mental health services (inpatient and community care).⁵⁸ Only around half (53%) of people who had received treatment from Community Mental Health Teams (CMHTs) had spoken to HCPs about how their financial circumstances were affecting their mental health.⁵⁹ Eight in ten (81%) respondents found that their crisis or relapse prevention plan did not mention personal finance – with four in five (79%) feeling that help in managing their finances would have led to a better

⁵⁶ Community Care. [Mounting demand for AMHPs and unmet need masked by fall in number of detentions, say leads](#). February 2023.

⁵⁷ DHSC. [The Approved Mental Health Professional Workforce in the social care sector](#). 2023.

⁵⁸ Bond, N and Preece, G. Not a secondary issue. Money and Mental Health Policy Institute, 2022

⁵⁹ Online survey of 5,001 people with experience of mental health problems and 1,000 people without mental health problems. Conducted by Opinium, 25 June – 22 July 2021.

outcome.⁶⁰ Without routine enquiry or systematic consideration of people in crisis' financial circumstances, the scheme will consistently fail to reach HMT's forecasts.

Despite the challenges detailed above that have led to low entrances to the scheme, positively, given HMT's forecasts of 54,000 entrants to the service in 2030/31, sufficient funding is in place to begin to tackle this challenge.⁶¹ This remains the case even with the recently reduced funding in the invite to tender documents issued in February 2024 for the new MHCBS, which has seen funding for MHCBS reduce from the original £2.4m they paid for a 12-month pilot to Rethink in 2021, to £4.3m for 28 months from Oct 24.⁶²

Our new and updated analysis from 2022-23 data evidences that 19,000 people in England are struggling with problem debt whilst in hospital for their mental health, with many thousands more managing debt whilst in the care of a crisis team in the community.⁶³

To ensure that MHCBS is available and accessible to those people in mental health crisis who need it, as part of their responsibility to raise awareness of debt advice among those who could benefit from it, MaPS should:

- Commit to a program of work to raise awareness of MHCBS among a wider group of professionals supporting people in crisis by promoting the Health Education England MHCBS module to a wider range of HCPs than solely AMPHs.
- Commission a programme of outreach and promotion via their regional partnership managers to local NHS Trusts, including inpatient units.

MaPS should go further than this and use its policy and influencing function to:

- Call upon HM Treasury to expand the range of professionals authorised to sign off on mental health crisis. Expanding the range of professionals authorised to sign off on mental health crisis would help to ensure access for a larger group of individuals in need.
- Call upon the Department of Health and Social Care and NHS England to automatically offer MHCBS to individuals detained in hospital. Based on detention figures from

⁶⁰ Bond, N and Preece, G. Not a secondary issue. Money and Mental Health Policy Institute, 2022

⁶¹ HM Treasury. Breathing Space Impact Assessment. 2019

⁶² MaPS. MHCBS tender documents available through MaPS commissioning portal. Published February 2024. (Accessed 03/03/24)

⁶³ Money and Mental Health Policy Institute Analysis of [NHS Mental Health Bulletin, 2021-22 Annual Report](#) and [NHS Learning Disability Services Monthly Statistics Bulletin](#) between April 2021 and March 2022.

2022-23, focusing on longer-term admissions would support almost 11,000 more people and go some way to address the financial impact of extended stays.^{64 65}

- To ensure transparency, MaPS should call upon HMT to publish the long-promised evaluation of the MHCBS pilot.

Q8 and Q9. Do you have views on whether MaPS should explore the need for these services? (Please provide supporting evidence where appropriate)

We support the principle of ensuring the debt advice system supports people with different needs. As the complexity of needs shifts within the population, it is important to commission services that meet a variety of needs.

Evidence from the 2022 iteration of the Financial Lives Survey shows that the vast majority of people receiving debt advice agree that it meets their needs. Yet two groups stand out as more likely to think that debt advice doesn't meet their needs: people with mental health problems and women. The bases around ethnic groups don't allow us to draw any conclusions on their experience. We will explore the need for key groups below, however this is not an exhaustive list.

Priority 1: Improve mainstream debt advice services to ensure they are accessible to people with mental health problems

Given the prevalence of people in problem debt who have a mental health problem (46%), we recommend increased focus should be placed on ensuring as many people with mental health problems as possible needs can be met through mainstream services.⁶⁶ While we'd expect people with mental health problems to represent a similar percentage of people accessing debt advice, our analysis of the 2022 Financial Lives Survey found they currently access debt advice at disproportionately low levels (at just 31%).⁶⁷

The consultation lists two clear examples where people with mental health problems could use further support: assessing a client's ability to concentrate for long periods and ensuring that advice isn't delivered in an overwhelming quantity over a non-preferred communication method.

Firstly, these are only two specific challenges that are proximate outcomes of systemic challenges that people with mental health challenges face e.g. difficulties advocating for yourself, difficulties with cognitive load, or difficulty solving problems. Our research found that

⁶⁴ NHS Digital. [Mental Health Act Statistics](#), Annual Figures – 2022-23. (Accessed: 25/03/22).

⁶⁵ In 2022-23 there were a total of 10,625 detentions under sections 3, 37, 41 and 47 of the Mental Health Act, representing 21% of all detentions

⁶⁶ Money and Mental Health Policy Institute. [The facts](#). (Accessed: 07/11/22)

⁶⁷ Money and Mental Health Policy Institute analysis of Financial Lives Survey 2022, FCA.

people in financial difficulty are significantly more likely to say they struggle with thinking clearly, overcoming difficulties and facing problems.⁶⁸

MaPS should put in place Universal Design principles, which would make mainstream debt advice services as accessible to people with mental health problems as possible. With nearly half of people in problem debt also having a mental health problem, we must design a system that is accessible for everyone by default and does not rely on disclosure. Taking this ‘universal design’ approach should result in better engagement and outcomes for a wide range of debt advice clients, stretching beyond those with mental health problems. The recommendations below would help achieve this, and are supplemented by a more detailed best practice checklist.⁶⁹ This improved accessibility also has the potential to reduce the number of clients who have to repeat their journey again, having not found or set up a sustainable solution previously. This lower repeat demand should mean there is more capacity to address more of the unmet need for debt advice.

Priority 2: Provide an enhanced level of services to people in crisis and/or with severe mental illness (SMI)

A universal design approach would considerably improve the accessibility of debt advice for many. Yet, some clients with severe or acute mental health problems are likely to have particularly high needs. Clients in these circumstances are more likely to require additional adviser time to support them in understanding the process and debt solutions.

We recommend a separate service that MaPS should explore is the provision for people coping with low capability and significant mental health problems, for example, SMI or in a mental health crisis. As our figures above set out, we estimate about five in ten (49%) of people with a mental health problem are accessing debt advice and experiencing challenges that severely or significantly impact on their day-to-day functioning and will therefore find it hard to engage with mainstream debt advice. Providing appropriate, targeted and tailored support for this group is essential. This might include:

- Offering support proactively and reaching out to people with SMI
- Delivering the service (remotely and in-person) where people with SMI are - in psychiatric hospitals and Community Mental Health services
- Equipping advisors with the training to understand how SMI can impact people’s capabilities
- Offering casework as standard and tailoring tasks to people’s capabilities
- Training advisors to deliver welfare rights support in tandem with debt advice
- Designing a Quality Assurance framework around the needs of people with SMI

⁶⁸ Bond, N & Holkar, M. Help along the way. Money and Mental Health Policy Institute. 2020

⁶⁹ Money and Mental Health Policy Institute. [A best practice checklist for debt advice providers](#). 2020

Over eight in ten (86%) of respondents to a previous Money and Mental Health survey reported they'd experienced financial difficulties while under the care of secondary mental health services. Accessing support with finances is crucial, and left unaddressed can significantly exacerbate people's mental health challenges and hinder recovery. Yet, accessing debt advice in crisis, particularly in hospital, can be impossible. People are often too unwell to seek support proactively, and their liberty can be restricted from being unable to leave the hospital entirely to restricted access to the telephone and internet. This significantly hinders people's ability to access much-needed debt advice.

The provision of outreach debt advice can be life-changing for people in hospital. Excellent examples of outreach debt advice services in Hertfordshire and Sheffield evidence the life-enhancing benefits of this. However, this provision is left to a postcode lottery of temporary funding arrangements.⁷⁰

Priority 3: Improve the delivery of income maximisation services to benefit people in a deficit budget

Nearly 5 million people are in a negative budget, and building up debt to get by. Four in ten (41%) of the people Citizens Advice help with debt have mental health problems and are struggling with a negative budget. One in five (19%) of new clients to debt advice charity Christians Against Poverty reported that mental ill-health was the primary reason for their debt crisis.⁷¹ With a higher likelihood of deficit budgets, people with mental health problems face additional barriers to engaging with debt advice services.

Common symptoms of mental health problems, such as difficulties communicating, impaired clarity of thought and reduced concentration or problem-solving skills, can make accessing and acting on debt advice more challenging. However, the consequences of mental health problems and unaddressed deficit budgets can be devastating. People in problem debt are three times as likely to have thought about suicide in the past year.

For people experiencing mental health problems with deficit budgets, debt and insolvency solutions are often not a silver bullet. Persistent low incomes from benefits or wages mean people cannot meet basic living costs even when debt issues are resolved. Tailored and targeted interventions are crucial.

⁷⁰ Bond, N. Money and Mental Health's submission to the National Institute for Health Research (NIHR) and the Department of Health and Social Care's (DHSC) consultation on approaches to improve social circumstances of people with mental health conditions. 2023

⁷¹ Christians Against Poverty, On the edge: Client Report. 2022.

Income maximisation is a key tool in tackling deficit budgets. MaPS should raise the bar by requiring debt advice providers to offer a minimum of ‘advice only’ income maximisation services as standard to all debt advice clients. Clients who are acutely unwell with SMI or in crisis should be provided with income maximisation casework service as standard.

Priority 4: Explore services to meet the needs of people from minoritised ethnic groups

Our research found that people from minoritised ethnic backgrounds are more likely to be behind on household bills.⁷² Here, people face a higher risk of struggling, with one-third (33%) of people with a mental health problem from a Black, Black British, Caribbean or African background report being in a household that’s behind on bills, compared to 9% of White people.⁷³

Our research highlights that different cultural norms and the underrepresentation of minority ethnic groups using mental health or debt advice services require different approaches to providing support. In particular, we highlight challenges people might face if English isn’t their first language. For this reason, we recommend that MaPS investigate the reasons for this and explore, through a process of co-design with those communities, how they could deliver a service to meet their needs.

Priority 5: Fund research into the provision of specialist debt advice and gambling harms services

Three-quarters (76%) of people calling the National Gambling Helpline report financial difficulties, and six in ten (60%) disclose having debt.⁷⁴ Among people being treated for gambling disorders in Britain, 63% have debts due to gambling; most of this group have debts over £5,000 or are personally insolvent.⁷⁵

A common factor among StepChange customers who had a gambling flag on their account was that gambling was facilitated by taking on consumer credit debt.⁷⁶ For most clients, gambling was the primary or sole reason for their debt problems. Typically, they had used consumer credit – overdrafts, personal loans, and credit cards to fund gambling to the point where all lines of credit were exhausted.⁷⁷ This accounts for the high levels of unsecured

⁷² Stacey, B and Smith, F. Through the lens: Ethnicity, money and mental health. Money and Mental Health Policy Institute. 2023

⁷³ *Ibid*

⁷⁴ GamCare. [Gambling Related Financial Harm: The Impact Report](#). 2024 (Accessed: 08/03/24)

⁷⁵ GambleAware. Annual Statistics from the National Gambling Treatment Service (Great Britain). 2020/21

⁷⁶ Davies, S. Evans, J. and Collard, S. Exploring the links between gambling and problem debt. University of Bristol PFRC

⁷⁷ *Ibid*

consumer credit debt seen in the client data.⁷⁸ ‘People with gambling problems were more likely to gamble using an overdraft (28% vs 1% of those without gambling problems), payday loans (20% vs 0% of people without gambling problems) and other loans (18% vs 0% of those without gambling problems).⁷⁹

Mainstream debt advice services are not well equipped to deal with the complexity and nuance of people in the throes of a gambling addiction. In situations where harmful gambling is not resolved, it can make debt solutions unviable. If harmful gambling is not addressed, then any debt resolution is likely to be temporary.

Positively, GamCare offers a specialist service supporting people with problem gambling and financial difficulties.⁸⁰ This unique service currently averages around 45-50 referrals per month. Services such as this require a quadrant of specialist skills, including training to support people still in the throes of gambling, motivational interviewing skills, debt advice, and gambling stops support.

MaPS should commission more research into the effectiveness of specialist gambling and debt advice services to fund more specialist services.

Chapter 2 MaPS’ role as a commissioner and funder

Q11. Do you agree on the commissioning approach and principles that MaPS has set out? What feels most important to you? In your opinion, is there anything we have not considered? (Please provide supporting evidence where appropriate)

We agree with the need for MaPS to collaborate with the debt advice sector and other key stakeholders, as well as MaPS’ approach to continue to award funding via competition through potential suppliers.

We’re pleased to see MaPS’ stated commitment to bringing in the views and lived experience of people in debt closer to decision-making, particularly ensuring that it is meaningful, not extractive. It’s positive that MaPS has learned lessons from previous commissioning rounds and has renewed its commitment to this. The re-commissioning of debt advice from December 2021, which sought to slash funding for face-to-face debt advice, evidences the catastrophic damage and risk of not adequately engaging with the sector and those with lived experience.

⁷⁸ *Ibid*

⁷⁹ Gambling Commission. Consultation on gambling with credit cards. 2019

⁸⁰ GamCare. [Worried about your debts? Find out your options through free debt advice](#). 2023 (Accessed: 28/03/24)

However, given the complexity, language and technical detail of this consultation and the requisite knowledge it requires to make sense of questions, the consultation is likely to be inaccessible to many people in need of or who have used debt advice services. Ensuring that appropriate structures are in place to ensure lived experience participants are properly informed and that governance structures are in place to receive guidance from those with lived experience who are consulted is essential to ensure a non-extractive approach.

MaPS should commission research with people who have lived experience of needing and accessing debt advice to feed into this consultation. Without this, the process, its findings, and consequent actions risk not accurately reflecting the needs of people who require MaPS' services.

Q14. Do you have any views on the approach MaPS should use to ensure our commissioning practice is shaped by the voice and lived experiences of people in debt? (Please provide supporting evidence and examples that you consider to be best practice of this way of working where appropriate)

We recommend that MaPS partner with organisations that specialise in hearing the voices of people with lived experience of debt. This might include organisations like Debt Justice, which recently worked with people with lived experience of debt to form their People's Manifesto on Debt. Organisations that have experience working with specific communities that disproportionately need debt advice are also key, for example, hearing from people with mental health problems. We have a Research Community of 5,000 people with lived experience of mental health problems who we survey on a weekly basis to understand their experiences and feed into policy discussions. We would be happy to consider undertaking work with the Research Community to feed into this consultation and future plans to meet the needs of people with mental health problems seeking debt advice.

Establishing these structures is essential for meaningful engagement with the lived experience of people in debt. We also recognise the need to ensure their experience is built in as soon as possible. We, therefore, recommend that MaPS consider issuing a short-form version of the consultation for people with lived experience of problem debt. This is common practice in government e.g. the DHSC published a short-form version of the reform of the Mental Health Act.

Q15. Do you agree with MaPS' understanding of the impact that changes in our funding and strategic approach can have? What feels most important to you? In your opinion, is there anything we have not considered? (Please provide supporting evidence where appropriate)

Ensuring that the debt advice sector remains innovative and able to cope with the shifting nature of debt is essential, and commissioning is a key tool in ensuring this. However, one of the sector's strengths is the experience and capability within established providers. As highlighted earlier in this consultation response, the provision currently funded for debt advice is insufficient. As MaPS' own Debt Needs survey recognises, over 5.5 million people in need of debt advice are not accessing it.⁸¹

Ensuring providers with existing relationships, brand recognition and a skilled workforce are funded is essential to meeting MaPS' ambitious target of supporting 3.7m people to access debt advice in 2030.⁸²

Making changes to funding risks losing experienced debt advisors from the workforce or places undue pressure on established providers at a time of significant financial pressure. The losers from this situation will be those needing debt advice who may fall through the gaps. Therefore, we believe that, where possible, MaPS should work with existing providers to explore innovations to best respond to the changing landscape of debt needs and ensure the funding to achieve this is sufficient.

We welcome MaPS ensuring that the pace and scale of any change to its commissioning process takes account of the needs of the sector and debt advice workforce. We hope this will reduce the harm done to those in need of debt advice.

Chapter 4: Helping to make debt advice easier to deliver and looking to the future **Q22. Do you agree that MaPS should continue with these activities?**

We believe that these activities to support the technological advancement of the sector are the very least that MaPS should be looking to continue and develop.⁸³ Given the pivotal role that MaPS plays in influencing and shaping the sector, we would like to see more ambition. Advocating for improvement and funding on an ad-hoc basis is unlikely to lead to system change. MaPS should be more assertive and bold in their plans to transform the sector if they hope to meet its target of 3.7m people accessing debt advice in 2030.⁸⁴

⁸¹ Das, P. [The UK's debt landscape in 2023](#). MaPS. 2024 (Accessed: 27/03/24)

⁸² MaPS, [The UK Strategy for Financial Wellbeing 2020 - 2030](#). 2020

⁸³ These activities include: Continuing to provide and enhance the Standard Financial Statement (SFS); Continuing to work with the adviser panels to identify areas of the debt advice process that could be improved, understand the root cause and advocate for improvements through our policy function (e.g., influencing creditors and government bodies to use the SFS, improve processes and the availability of information); Continuing to support continuous improvement activities within services funded by MaPS; Continuing to make funding for infrastructure improvements available on an ad-hoc basis, subject to budget availability and other priorities

⁸⁴ MaPS, [The UK Strategy for Financial Wellbeing 2020 - 2030](#). 2020

Money and Mental Health agree that technological advances, continuous improvement and streamlined systems between creditors, DWP and debt advice services would support the sector in narrowing the demand-supply gap.

MaPS should go beyond advocating for improvements and instead, continue to make funding for infrastructure improvements available on an ad-hoc basis. MaPS should also take a longer-term view of the sector and invest in infrastructure based on partnership and data-sharing arrangements between organisations and sectors.

We believe MaPS should continue to provide and enhance the Standard Financial Statement (SFS). This should include MaPS:

- Working to encourage more sectors and creditors (such as utility companies, government and bailiffs) to adopt the SFS to underpin affordability. Using their sector influence and power to push for the remaining 10% of debt advice in the UK who do not use the SFS to do so.
- Using their policy function and relationship with the government to ensure government and local government creditors are required to use the SFS when assessing affordable repayment plans for people in debt. This should also extend to creditors working only with bailiffs that use the Standard Financial Statement.
- Working with the SFS Governance Group to introduce a disability component to the SFS, which provides trigger figures aligned with the industry on the additional costs of living with a disability.⁸⁵ So advisors and creditors are prompted to enquire about additional costs arising from disability and make appropriate adjustments for this - including hidden disabilities.⁸⁶ If the SFS governance group are unwilling to do this, at the very least that should excluded Personal Independence Payments (PIP) and Attendance Allowance from overall incomes in the SFSs, as these payments are intended to cover the additional costs of living with a disability rather than additional income per se.

Q24. Do you have views on whether MaPS should progress these additional activities to help make debt advice easier to deliver in the future? How should MaPS prioritise these activities against the other areas where we could have an impact i.e. funding debt advice delivery? (Please provide supporting evidence where appropriate)

With the rapid pace of change and the desperate need to support more people with debt advice than ever before, a debt advice strategy for the future that relies too heavily on MaPS

⁸⁵ Scope. [Disability Price Tag 2023: the extra cost of disability](#). 2024 (Accessed: 28/03/24)

⁸⁶ Evans, J and Collard, S. [The financial wellbeing of disabled people in the UK: The extra costs of disability](#). University of Bristol PFRC. 2023

lending their expertise to the sector or utilising their convening powers to identify new technologies is insufficient.

The onus for change should be on MaPS, not individual debt advice organisations

Given its role as the largest commissioner of debt advice in England, MaPS has an opportunity to play a more active role in bringing together partnerships to develop, test and adopt new shared technology and infrastructure. Rather than relying on providers to create their own technology strategies and approaches while also delivering debt advice. Below, we set out a prioritisation of the approach to this. In general, we suggest that technology development is funded in service to other crucial priorities, such as debt advice delivery, rather than as a separate funding stream.

- **Priority 1: Provide more consistent and ongoing funding to the sector to support the adoption and testing of new technologies** - The pace of technological change has been rapid in recent years. The growth of AI and the use of data present huge opportunities to work smarter and more efficiently in the delivery of debt advice. As we have said repeatedly, debt advice need has long outstripped demand, and this shows no signs of abating.⁸⁷ Prioritising advancements in the sector is one way of narrowing the gap between demand and supply.

For this reason, investing in the sector is key, but we worry that this may lead to a one-size-fits-all approach. Adoption of technology shouldn't simply be about routing more people through default digital debt advice journeys. The recent prioritisation of digital debt advice journeys has helped increase the availability of debt advice to certain portions of the population. This is positive, and ensuring those who *can* self-serve through digital means are empowered to do so is a positive outcome. We believe this allows more resource-intensive telephony and face-to-face services to be reserved for those who need them.

However, digital debt advice journeys are only one of the ways to make debt advice more efficient and serve more people more quickly. Efficiencies can be found, for example, in systems that support connecting advisors with creditors or that save those in debt having to find their income and expenditure information. There is so much slack and wasted energy in the sector, which is infuriating to debt advisors and clients. Technology that is in service of this need holds a huge potential.

- **Priority 2: Explore opportunities to provide or enable more shared infrastructure or common processes between debt advice providers, creditors, and clients** - Debt

⁸⁷ Das, P. [The UK's debt landscape in 2023](#). MaPS. 2024 (Accessed: 27/03/24)

advisors waste a lot of time waiting on the phone to speak to the correct person at financial services firms, utility providers, local authorities, and the DWP. Contacting these creditors is essential to ascertain the full picture of a client's indebtedness and/or the status and circumstance of their benefit claim.

However, it is also a huge waste of valuable resources which, with effective and streamlined systems, could allow debt advisors to support more people more quickly. We know that some providers have established ad hoc arrangements with creditors or that some creditors provide fast-track routes. However, this is a patchwork of support rather than consistent across the sector.⁸⁸ Adapting this is essential for ensuring debt advisors can resolve situations sooner and see more clients.

It can also reduce the overwhelming experience that clients face of sitting with a debt advisor on hold for an hour. Particularly for people with mental health problems, this activity presents a clear challenge.

Exploring opportunities to provide or enable more shared infrastructure or common processes between debt advice providers, creditors, and clients and investing in new technologies to make this possible should be a priority.

- **Priority 3: Set out examples of best practice to support more efficient services -** Confirmation of Advice (CoA) letters are essential for helping clients understand the debt options available to them and the best path forward. However, we also understand these letters represent a significant investment of time and effort for debt advisors to produce, and despite the best intentions of debt advisors, are often inaccessible to many recipients.⁸⁹ There is tension in the FCA rules and guidance between what information should be provided to clients and how that information should respond to the client's needs. On the one hand, regulations specify that advisers must provide sufficient information about the available options and "make clear the actual or potential advantages, disadvantages, costs and risks of each option available to the customer."⁹⁰ On the other hand, advisers are required to provide this information in a manner which is suitable to the customer's needs.⁹¹

MaPS should work with providers and the FCA to improve the confirmation of advice letters, encouraging them to be more salient and concise. MaPS should also support

⁸⁸ [Working collaboratively with debt advice agencies: a strategic toolkit for creditors](#). Money & Pensions Service and the Money Advice Service. December 2020

⁸⁹ Bond, N & Holkar, M. Help along the way. Money and Mental Health Policy Institute. 2020

⁹⁰ Financial Conduct Authority. Consumer Credit sourcebook. 2014 (Updated 2020).

⁹¹ *Ibid.*

providers in ensuring CoA letters are accessible to people experiencing mental health problems. The CoA Good Practice template was developed in collaboration with MaPS to support advisers when writing to clients.⁹² Reviewing this template and exploring the option of a template cover letter would make these letters easier to understand. Placing headline information on the first page, with full disclosures included in the remainder of the document, would help direct clients' attention to the most important details.

Chapter 5: Increasing public awareness and engagement with debt advice

Q26. Do you agree that MaPS should continue to provide these activities?

Money and Mental Health agree that there are huge opportunities for MaPS to improve public awareness and engagement with debt advice, reduce barriers to advice-seeking, and help clients access support more easily. This is essential to meeting MaPS's targets of increasing access to Debt Advice and tackling the long period that many go through before reaching out to debt advice.

Extend MAN's range of referral pathways to include mental health services - MAN

already has 600 unique referral pathways with financial services, central and local government, utility providers, the DWP, housing associations and social prescribers.⁹³ This is a step in the right direction. It is encouraging to see that with the extension to housing associations, MaPS is thinking beyond financial points of contact and with social prescribers as a referral partner to health services too. This is being utilised too, with MAN receiving a significant volume of referrals, with 30% of partners actively making referrals.⁹⁴ We recommend that to understand and build on this progress, MaPS should:

- Publish an evaluation of MAN from the first 4 years of service.
- Extend MAN's range of referral pathways to include mental health services - from primary care through to secondary care services. These include: GP's, NHS Talking Therapies, Community Mental Health Teams and inpatient staff.

Enhance the debt advice locator tool to reflect the level of support offered by different providers -

The debt advice locator tool is a useful first iteration of helping people needing debt advice navigate a complex landscape. However, it could be developed much further to help those in need truly understand the options and support available to them. There is not currently a commonly understood framework to help clients or those referring to advice differentiate between the range of debt advice services provided and the level to which that support is available (for example, the level of support to maximise income can vary from provider to provider). For some people, self-directed debt advice via digital journeys is sufficient. For others,

⁹² MaPS. Good Practice Toolkit. 2020

⁹³ Consultation on MaPS proposals for the delivery of its debt advice strategy. Money and Pensions Service. 2024

⁹⁴ *Ibid*

casework is essential. Currently, how this is provided is unclear, and debt advice providers have no framework for assessing the level of support someone requires.

- **Develop a framework for debt advisors to assess clients' support needs in accessing debt advice** - As discussed earlier in this consultation, ensuring services are sufficiently equipped with a framework and skills to differentiate the needs people have in understanding advice is crucial to achieving good outcomes for people with mental health problems. We recommend that as well as leading on devising a framework to assess a customer's ability to engage with debt advice, this framework should be further used to structure the debt locator tool, ensuring people with mental health problems are directed towards a service best able to meet their needs. For example, this might contain information on casework, advocacy; and support customers with any follow-up actions they are struggling with.
- **Make this framework available through the debt advice locator tool as a self-assessment tool** - Using the framework to structure the different debt advice options available is key to helping those in debt understand what support would best suit their needs. However, not all people with mental health problems are able to understand what will best suit their needs. We recommend that MaPS also develop a self-assessment tool to help people in need understand the best options for them. This information could also be shared with the debt advice service they select to minimise the requirement for later disclosure where appropriate.
- **Make mental health training for national service delivery contracts mandatory** - We recommend extending the requirement for all debt advisors to have mandatory mental health training from the current community-based contracts to national contracts, too, will go some way to levelling the playing field in ensuring whichever channel and service people arrive at, that they receive a service which understands and can adapt to their mental health needs. Ensuring debt advice is accessible raises the likelihood that people will be able to engage in the whole debt advice process towards a successful resolution.

Continue to work with creditors and their industry bodies to influence broader

supportive debt collection practices - We fully support MaPS continuing to work across the sector to improve debt collection practices and support for debt advice organisations. We have seen plenty of good work from MaPS' policy function to advocate for change in the debt advice sector.

However, we would welcome both evidence and further action around MaPS' influence of creditors and working in tandem with the FCA and other regulators to do this. For example, the introduction of the Standard Financial Statement (SFS) has been important and impactful. Still, we would welcome more work being done to mandate sectors beyond consumer credit to put it into action.

Given MaPS's role within government, we hope to see more done to influence debt collection practice within national government bodies (such as the DWP) and local government as well. We would like to see an update on MaPS's progress against the 2021 departmental review, which recommended that MaPS have a greater collaborative role across government.

Q27. Do you have any views on how these activities should be prioritised (including the prioritisation of which sectors are referral partners into debt advice) or additional views you want to share on these activities? (Please include any supporting evidence to illustrate your reply)

We propose the following order of prioritisation:

- **Priority 1: Establish a timeline to evaluate the effectiveness of the MAN and publish it**—Understanding the impact the Money Advice Network has had is essential for determining what strengths can be amplified and what weaknesses need addressing. We are unaware of any publicly available evaluations of the MAN's impact, so we would recommend conducting or making one public as a priority.
- **Priority 2: Enhance the Debt Advice Locator Tool on MoneyHelper** - As set out in our previous question, where those in debt cannot access debt support that meets their needs, they are unlikely to have a productive debt advice journey. Given how long it takes many people who need debt advice to reach out in the first place, ensuring that they are directed to the right support service in the first place is essential.
- **Priority 3: Continue to work with creditors and their industry bodies to influence broader supportive debt collection practices through our policy function** - We believe MaPS' role as an influencer, particularly across government, could serve to reduce the need for debt advice by acting in a preventative manner. However, we also understand that policy change is difficult and hard-won, with significant lead-in times. Therefore, while we ask that this be prioritised, we would recommend that MaPS focus its energies on improving its capacity across the above areas to ensure customers are able to access support that meets their needs.

Q28. Do you have views on whether MaPS should progress these additional activities to increase awareness and engagement with debt advice? How should MaPS prioritise these activities against the other areas where we could have an impact i.e. funding debt advice delivery? (Please provide supporting evidence where appropriate)

Money and Mental Health believe that MaPS should progress the following activities to increase public awareness and engagement with debt advice.

1. **Work with the sector to develop a common framework to detail the extent of the service provided**—Currently, there is no common way to understand and compare

what is available before accessing a service. Work should be explored with the sector to develop a common framework to communicate what debt advice providers offer more consistently. This could be built into creditor debt advice referral processes and other mechanisms such as the Money Adviser Network or Debt Advice Locator Tool.

- 2. Use its policy function to encourage the FCA and creditors to go further than signposting to debt advice** - Signposting can be helpful for some people. But many people with mental health problems can struggle to act on signposting due to challenges with motivation, clarity of thought or problem-solving.⁹⁵ MaPS have also recognised this issue – the largest commissioner of debt advice services in England – who are consulting on how to improve the consistency and effectiveness of referrals into debt advice.⁹⁶ We want to see services work together to go beyond just signposting, ensuring that when someone is struggling with either their mental or financial health, they are seamlessly transitioned to other support services through warm referrals and partnership arrangements. This would help prevent a long-term cycle between money and mental health problems from occurring and help those with more entrenched problems break free.

MaPS' Creditor Toolkit provides examples of how organisations have developed their debt advice referral strategies, moving from simple signposting (which is less likely to lead to engagement with debt advice) to more proactive approaches, such as warm transfers and call-back processes.⁹⁷ Research from NatWest showed that only 5% of customers ever acted on signposting to sources of free debt advice.⁹⁸ Additionally, 50% of debt advice clients typically wait over a year before seeking help to resolve debts. Having recognised this, MaPS need to utilise their policy function and work with the FCA to require firms to go beyond signposting to partnership working and appropriate referrals.

Chapter 6: Building evidence and influencing others

Q30. Do you agree that MaPS should continue to provide these activities?

Money and Mental Health Policy Institute agree that MaPS should continue to work closely with other government departments, regulators and arm's length bodies to drive improvement in the debt advice landscape for clients and advisers. In addition, MaPS should continue working

⁹⁵ Clarke T. [From pillar to post: why signposting is not enough](#). Money and Mental Health Policy Institute. June 2017.

⁹⁶ Consultation on MaPS proposals for the delivery of its debt advice strategy. Money and Pensions Service. 2024. StepChange and the Personal Finance Research Centre also recently looked into referrals to and from debt advice: Evans J and Collard S. *Joined up*. Personal Finance Research Centre. 2023.

⁹⁷ [Working collaboratively with debt advice agencies: a strategic toolkit for creditors](#). Money & Pensions Service and the Money Advice Service. December 2020

⁹⁸ Ibid

collaboratively with the devolved administrations, undertaking calls for evidence and facilitating the Debt Advice Reference Group (DARG).

MaPS should be bolder in calling for action to tackle root causes of financial difficulties

Solutions to tackle the root causes that lead to the need for debt advice, specifically in the rapidly expanding cohort of clients with deficit budgets, sit within the scope of the government and the DWP. Specifically:

- Uprating benefits and ensuring easier and more streamlined access to full benefit entitlements
- Increasing funding to ensure income maximisation *advice* services are delivered as standard part of debt advice journeys.

MaPS should be bolder in calling for action on the part of the government, where the solutions clearly sit in their court.

Q32. Do you have views on whether MaPS should progress these additional activities to better understand the value of advice and/or to drive more UK-wide collaboration? How should MaPS prioritise these activities against the other areas where we could have an impact i.e. funding debt advice delivery? (Please provide supporting evidence where appropriate)

Money and Mental Health believe that MaPS should progress the following activities to understand the value of advice better and to drive more collaboration. We detail these in order of priority.

- 1. Lead a sector-wide approach to impact measurement** - MaPS should establish a sector-wide impact measurement for debt advice. This would help to evidence the impact and effectiveness of a range of diverse services work. However, this should be carefully considered and ensure that it does not unnecessarily or disproportionately add to the already burdensome bureaucratic reporting measures that the MaPS-funded debt advice sector is already required to complete. Any impact measurement should be built in true collaboration with the sector, debt advisors and clients.
- 2. Further collaboration across the sector and nations** - MaPS proposes a number of measures here to support further collaboration, we will deal with each of these in turn below.
 - **A shared UK-wide debt advice infrastructure, such as a referral route into debt advice** - Various iterations already exist in the form of MAN and the Debt Advice Locator tool. These tools go some of the way to being a central referral route into debt advice. However, they need to be more comprehensive and widely used. While we, as a research and policy institute, are unlikely to be best placed to fully appreciate such an initiative's relative merits and pitfalls, others,



including debt advice providers, are likely better positioned. Without concerted effort, this may add more bureaucracy to an already overwhelmed service that feels heavily constrained by quality assurance metrics and bureaucracy.

From a client's perspective with mental health problems, this central referral point would be incredibly helpful, particularly if it incorporates multiple factors that influence the efficacy of debt advice for individuals, specifically channel, level of support, and a potential electronic debt advice accessibility needs assessment.

- **Public awareness campaigns** - MaPS have a central role to play in raising awareness of debt advice; specifically, new analysis of the 2022 Financial Lives Survey found that one in four people with mental health problems end up paying for debt advice.⁹⁹ The most common reason for using paid services is not knowing about free services. To address this, MaPS should:
 - a. Consider targeted awareness campaigns - Joining up the understanding that almost one in five people with mental health problems are in problem debt,¹⁰⁰ and people with mental health problems are three and a half times more likely to be in problem debt - and targeting this cohort with awareness-raising campaigns about access to debt advice. This could be done through primary and secondary mental health services to ensure those most in need are targeted through promotion.
 - b. Regularly work with search engines - to ensure that paid-for debt advice does not appear at the top of debt advice searches.

⁹⁹ Money and Mental Health Policy Institute analysis of Financial Lives Survey 2022, FCA.

¹⁰⁰ Money and Mental Health Policy Institute. [The facts](#). (Accessed: 07/11/22)