

Money and Mental Health's submission to the Scottish Government's consultation on a Mental Health Moratorium

The mental health criteria

Question 1. Do you agree with the proposed mental health eligibility criteria as listed above?

Agree

Please provide the reason for your response in the box below:

Money and Mental Health welcomes the Scottish government's decision to widen the eligibility criteria from what was originally proposed to include those receiving treatment voluntarily and within a community. This is a point we called for both when giving evidence to the Economy and Fair Work Committee in September 2023, and also in our response to the government's consultation on a Mental Health Moratorium in January 2024. Deciding to extend the eligibility criteria in this way ensures parity with the eligibility criteria for Mental Health Crisis Breathing Space (MHCBS) in England and Wales, where anyone who is receiving crisis treatment - be that via a crisis house, crisis home treatment team, community mental health team or in hospital either compulsorily (under the Mental Health Act) or voluntarily- can access this vital protection.

The debt criteria

Question 2. Do you agree with the proposed debt eligibility criteria as listed above?

Agree

Please provide the reason for your response in the box below:

As a member of the Mental Health Moratorium Working Group, we suggested that while no minimum debt level should be set for the eligibility criteria, adopting the approach taken for the Mental Health Crisis Breathing Space in England and Wales where a money adviser confirms 'the applicant is unable, or is unlikely to be able, to repay some or all of their debts as it falls due' seemed sensible.

However, upon reviewing the Scottish Government's suggestion, we support the proposed approach whereby a mental health professional provides a simple statement confirming debt problems are impacting negatively on the patient's mental health condition. This has the potential to create an even more seamless application process for the individual applying. It's important that this is accompanied by mental health professionals receiving

the appropriate training on the links between financial difficulty and mental health problems, so they are sufficiently equipped to be able to identify and document such difficulties.

Mental Health Moratorium: review of eligibility criteria

Question 5. Do you agree with the proposed requirement for AiB to confirm the mental health eligibility criteria is continuing to be met?

Agree

Please provide the reason for your response in the box below:

In addition to supporting this proposed requirement for AiB, we also support the proposal to set the recovery period at six months, and to maintain this when the standard period is reduced. This is an area, though, that we would like the Scottish government to review and use the flexibility of secondary legislation to amend if, upon implementation, an alternative would appear to be more appropriate.

Mental Health Moratorium: application process

Question 6. Do you agree with the proposed application process?

Agree

Please provide the reason for your response in the box below:

While the proposed role of the Mental Health Professional at the application stage is practical, introducing an additional measure - routinely offering the Mental Health Moratorium to people receiving eligible treatment - would support a greater number of people to receive this protection.

As it stands, for an individual to be referred for a Mental Health Moratorium there is still the expectation that they will either disclose experiencing financial difficulties, or that a mental health practitioner will take the initiative to make this inquiry. However, our research [Bond N and D'Arcy C. The state we're in: money and mental health in a time of crisis. Money and Mental Health Policy Institute. November 2021] has shown that only one in five people with mental health problems had disclosed details about their financial circumstances to a health or social care professional, and less than three in ten people had a health and social care professional proactively ask about their finances.

Given the high levels of problem debt among people who are experiencing a mental health crisis, automatically offering this protection to anyone receiving mental health crisis treatment would act as a preventative measure to shield people from the financial harm that is often caused by a crisis itself. And reduce the risk of financial difficulties not being disclosed by an individual, or identified by a mental health practitioner in the first place.

Effect of a Mental Health Moratorium

Question 9. Do you agree with the proposed Mental Health Moratorium protections included in the current draft regulations?

Agree

Please provide the reason for your response in the box below:

When a mental health crisis emerges suddenly, people can be left without a chance to put alternative arrangements in place. This can quickly lead to them experiencing severe financial difficulties. During a crisis, people are often completely unable to engage in financial management. The result can be people leaving hospital and being confronted with mounting debts, putting their mental health under additional pressure at a time when they are most in need of support.

We, therefore, support the Scottish government's proposals for the Mental Health Moratorium to include a pause on fees, charges and interest which may accrue while a person with mental health problems is too unwell to manage their own finances. This would reduce the likelihood of these debts escalating out of control, minimising defaults, homelessness and other related issues, while allowing both service users and healthcare staff to focus on treatment, in turn promoting recovery.

Period of a Mental Health Moratorium

Question 12. Do you agree with the proposed framework for the Mental Health Moratorium period?

Agree

Please provide the reason for your response in the box below:

Money and Mental Health agrees with the proposed framework for the Mental Health Moratorium period, and would like to see steps taken to ensure people with mental health problems are supported to engage with debt advice during the recovery period.

Our previous research [Bond N and Holkar M. Help Along the Way: Making debt advice accessible to people with mental health problems. The Money and Mental Health Policy Institute. July 2020] has shown the challenges people with mental health problems can face when engaging with debt advice. Members of our Research Community often feel as though advisers fail to understand how their condition could affect their financial circumstances. If advisers don't accurately assess how symptoms can affect a person's ability to complete tasks, for instance struggling to maintain concentration during lengthy advice sessions, it can lead to clients being overwhelmed. And long and technical



confirmation of advice letters can be difficult to process if you are having trouble concentrating, with increased impulsivity or a lack of motivation – both common symptoms of mental health problems – making it harder to stick to a debt resolution plan.

Money and Mental Health would like to see a guarantee that proactive support will be provided to help individuals access debt advice after completing mental health treatment. Simply signposting to debt advice is often insufficient, as many people with mental health problems may struggle to act on such signposting [Clarke T. From pillar to post: why signposting is not enough. Money and Mental Health Policy Institute. June 2017]. By increasing efforts to connect individuals with debt advice at the conclusion of their Mental Health Moratorium, there is a greater chance of aiding their recovery and reducing the risk of a relapse into poor mental health.