

Paper for the Diversity Board
5th March 2007
Research carried out by Middlesex University

This paper is a snapshot of the research provided by Middlesex University. It provides some extracted answers to the original questions posed for the research. It is intended to highlight, inform and update the Board prior to the meeting.

I have made one additional conclusion from the research.

Middlesex University will be making a presentation to the Board at the meeting. Additional synopsis of both reports and the full reports are provided under separate cover.

Background:

Following a Race Equality Impact Assessment (REIA) in to the Early Discharge process, we identified an adverse impact with BME bankrupts.

The research was to:

- Identify why BME bankrupts were less likely to petition their own bankruptcy, than their white counterparts, and
- Why their behaviour differed so markedly, than their white counterparts, once they were in the process?

An assumption made by INSS was that there could be cultural or religious reasons regarding their relationship to debt, their failure to co-operate, and so gain Early Discharge.

In identifying the above it was hoped we, INSS, could also discover what we could do differently to better engage with BME bankrupts to ensure compliance and onwards to improve Early Discharge rates amongst BME insolvents.

Synopsis of methodology and research:

- Having identified areas of higher BME clientele from existing data within 4 INSS regions, the research was piloted amongst London region bankrupts.
- From this pilot, we suggested a better designed questionnaire for bankrupts and identified that speaking with Faith Leaders and advice-giving agencies would assist the process further, to include a white control group and to engage only with those bankrupts that were non-compliant for more rounded qualitative data.
- This further research was then carried out amongst 1) the advice agencies (key informants) and 2) the BME bankrupts.

Overall findings from all research

Relating the results back to the areas identified:

Identify why BME bankrupts were less likely to petition their own bankruptcy, than their white counterparts

- Openness within INSS process is fundamentally juxtaposition to the guardedness of BME cultures (Chinese and Asian, Black less so)
- Lack of understanding amongst BME bankrupts, especially Asians.
- Reasons for incurring debt differ, extended families, sending money abroad etc, and so the reasons for resorting to bankruptcy have far reaching consequences than just their lives or their immediate families.

- Home ownership and passing debt on is generational and high amongst the BME community; creditors seek petitions where assets are found.

Why their behaviour differed so markedly, than their white counterparts, once they were in the process

- Stigma, shame affected their lives within their community and their ongoing relationships within their community.
- Advice agencies agreed that BME Bankrupts were affected by their cultural and religious backgrounds, interestingly the BME Bankrupts didn't think this had any impact at all.
- BME bankrupts failed to see the significance of letters from INSS against all other "government" or "formal/legal type" letters.

Similarities, between the groups/to other data:

- Compliant or non-compliant bankrupts - same difficulty in getting them to assist with the research, therefore this is not an indication at all of assisting improvements towards the process. Perhaps merely that, those compliant were likely to be more understanding of the process and so adjust to the raft or paperwork and questions far more easily.
- Clarity of the forms and understanding them was highlighted by the BME group and is not unique to them as this is a regular concern voiced in our Customer Comments (CC) Cards also. This is something we must address and action.
- Dissatisfaction rates align closely with outcome; Bankrupts are unable to distinguish between the level of service they receive from INSS and what happens to them. Our CC Cards confirm this, again.
- The 9 women and 41 men, who took part, align closely with the gender split nationally of those who become bankrupt.
- The ease of the availability of debt was highlighted by all the non-compliant Bankrupts as attributing to their lackadaisical attitude to debt

How to use this research

This will inform future impact assessments on processes; it will assist the upcoming BRO/BRU work identified.

For consideration

- Raising awareness, across all peoples, through joined up government may prove to be beneficial. There are various ways INSS could seek to improve financial management at grass roots, at the earliest opportunity amongst the population (see additional synopsis). We should seek to better identify and align partners and stakeholders, and so work more closely to achieve this.
- This would seek to address the lackadaisical attitude to debt, encourage the public to be more financially aware and take ownership of it. This transcends ethnicity.
- This would, in turn (long term aim), consolidate further the view that INSS offers a professional, customer focused service; leading to customers disassociating [necessary] outcome from levels of service provided.

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27th February 2007