Putting Money Advice Where the Need is

Evaluating the Potential for Advice Provision in Different Outreach Locations

Alexy Buck, Tania Tam and Cate Fisher
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Executive Summary

1. Background

Introduction

The Legal Services Commission (LSC), the public body responsible for providing legal aid in England and Wales, received £6 million from HM Treasury’s Financial Inclusion Fund to pilot money advice outreach services.

The broad policy background for the pilot services reflects key Government concerns: tackling financial and social exclusion, helping people to address their debt problems, and providing outreach advice to meet the specific needs of disadvantaged and ‘hard-to-reach’ individuals.

Financial exclusion

Financial exclusion refers to people who have no access or limited access to mainstream financial services and products such as bank or building society accounts. As many of these individuals are unable to access mainstream loan and credit services, they turn to less regulated, costly and sometimes illegal sources of credit. Having to rely on the high-interest alternative credit market often results in spiraling and unmanageable debt.

Research has produced varying statistics on the number of people in the UK who are financially excluded. Using the 2002-2003 Family Resources Survey, it has been estimated that around 3 million UK households (12 per cent) operate without a current account.¹ For these households, the impact of financial exclusion can be great.

HM Treasury has listed lack of access to: bank accounts, affordable credit, money advice, insurance, savings and assets as the six key components to financial exclusion.² Inevitably, some groups are more likely to be financially excluded than others, including:

- unemployed;
- those on low incomes;
- lone parents;
- those experiencing long-term illness or disability;
- people living in social housing; and
- those on benefits.

Whilst falling into one or more of these socio-demographic categories does not automatically mean a person is financially excluded, it does mean that they are more vulnerable.

² Ibid.
Money advice outreach pilots

The pilots are aimed at areas or groups facing high levels of deprivation and financial exclusion. Further objectives are to:

- take legal and advice services to locations that are already visited by potential clients but where money advice services cannot ordinarily be accessed;
- reach those who would not normally seek help from mainstream advice services; and
- provide advice via new methods and partners.

The pilots are located in urban as well as rural settings and include a mix of new and pre-existing partnerships. The outreach locations range from prisons to Sure Start centres, credit unions, housing offices and schools. Most outreach advice is delivered through these ‘fixed point’ projects, in an institutional setting. The pilots also include ‘roaming’ outreach advice: money advice offered on a ‘just in time’ basis in multiple sites across a dispersed local area.

Evaluation strategy

The evaluation of the pilots uses a variety of research methods, employs both process and outcome evaluation, and looks at the pilots from different perspectives, namely:

- the target and client population;
- debt advisers;
- key stakeholders;
- outreach project coordinators/managers; and
- personnel in outreach locations where money outreach advice is taking place.

Given these multiple perspectives and the fact that the perceptions, experiences and impact of the pilots will be different at different times and for different groups, the Legal Services Research Centre (LSRC) is conducting a multi-phased evaluation. Each phase focuses on a different aspect of the pilots. The Department for Constitutional Affairs is funding most of the evaluation.

Phase 1: a face-to-face survey in five different outreach location types.
Phase 2: a process, effectiveness and early impact evaluation of the pilots, focussing on the provider perspective.
Phase 3: a mainly qualitative impact evaluation, focussing on target and client groups.

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3 Sure Start is a Government programme that brings together early education, childcare, health and family support. It covers programmes both universal and targeted at particular areas or disadvantaged groups.

4 Credit unions are non-profit making cooperatives, which offer ethical financial services such as insurance, loans and savings accounts to local people.

5 ECOTEC Research and Consulting and the Personal Finance Research Centre at the University of Bristol were appointed by the LSRC after a competitive tender exercise to conduct this work.
Evaluation Phase 1: the survey

Between March and June 2006, BMRB Social Research carried out a survey of 563 people using different types of outreach locations included in the pilots. The aim was to assess the suitability of a number of different outreach location types – family and children centres, credit unions, housing offices, community centres and prisons – for the delivery of money advice to ‘hard-to-reach’ and disadvantaged groups. The survey took place at an early stage: the pilots were either just up and running or due to start soon in all the locations.

Methodology

A sample of individual location sites was randomly selected. Five locations were systematically selected within each type of location, giving 25 locations at which to interview.

There were two versions of the questionnaire, one for prisons and the other for non-prison outreach locations. Most questions were common to both locations, and structured in six sections:

- Introductory questions;
- Financial exclusion, use of financial services and money management;
- Experience and extent of money/debt-related problems;
- Awareness, usage and attitudes vis-à-vis existing advice services;
- Attitudes towards money advice outreach services;
- Demographics.

The questionnaire mainly consisted of closed questions, with a small number of open-ended questions.

In non-prison locations, people were randomly asked for interview. In prisons, interviewees were pre-selected by prison staff. A total of 563 interviews were conducted across all outreach location types surveyed. Family and children centres stand out as having achieved the lowest daily interview strike rate.

The LSRC team conducted the data analysis and interpretation. The LSRC were also keen to carry out additional research: feedback from interviewers was systematically collected and implications arising out of the survey research process were drawn out. Results of these findings, of value to both the development of the money advice outreach pilots as well as the next evaluation phases, are set out in Chapter 9.

Financial exclusion: definitions used for survey data analysis

Financially excluded interviewees were defined as those with:

- no financial products at all;
- some financial products but no current account;
- a current account not used for day-to-day money management.  

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6 Studies have shown that some people only use their current accounts for receiving benefits. They tend to withdraw their money as soon as it is paid in and, as such, they do not reap the full benefits of current account ownership.
Interviewees who possessed a current account and used it for day-to-day money management were considered financially included.

The socio-demographic indicators used to identify vulnerability to financial exclusion included the following:

- Unemployment;
- income of less that £10,000;
- single parents;
- in receipt of housing benefit;\(^7\)
- in social housing;
- limiting long-term illness/disability;
- limited qualifications or education;
- ethnicity; and
- living in a deprived area.

2. Who uses outreach locations and what for?

Similarities and differences across the outreach location types

The survey revealed the extent to which the location types surveyed differ. Services need to take into account that different settings serve different users and different purposes. At the same time, similarities highlight that all five outreach location types cater for people who are vulnerable to social exclusion and deprivation. For example:

- Interviewees in the five outreach location types reported low household income: the lowest being among interviewees in credit unions (roughly £7,500 per annum); the highest in family and children centres (roughly £15,000 per annum).

- There were high percentages of people reporting long-standing illness or disability; the highest, among credit union interviewees, was 31 per cent.

- Interviewees in prisons, credit unions and housing offices reported low educational qualifications; for example, 40 per cent of prison interviewees had no qualifications at all.

- Unemployment was frequently reported: the highest percentage (40 per cent) among prison interviewees before going to prison, the lowest among family and children centre interviewees (9 per cent).

- Many interviewees across all locations said they rented their home from a local council, housing association or registered social landlord.

- Lone parenthood was common; across all four non-prison outreach location types surveyed, 19 per cent of visitors were lone parents.

\(^7\) Used as a proxy for the receipt of other benefits.
Further findings include:

- Prisons and credit unions had the highest proportion of interviewees with the lowest household incomes, the least educational qualifications and the highest unemployment rates.

- Sixty-six per cent of prison interviewees had served one or more custodial sentences before. The youngest people were found in prisons, and 24 per cent reported long-term illness or disability.

- Family and children centres had the highest proportion of female visitors (87 per cent). A high percentage of them looked after the home or family. They also served a highly ethnically diverse population (only 39 per cent of interviewees were white).

- The percentage of children and family centre interviewees who were raising their child or children alone was relatively low in comparison to all the other non-prison outreach location types. In housing offices, credit unions and community centres, around 50 per cent of parents were lone parents, compared to 28 per cent in family and children centres.

- Housing offices and community centres served the oldest visitors, with the average age being 45.

- The vast majority of interviewees in family and children centres came to the centres with children. Many community centre interviewees visited for social reasons.

- All four non-prison outreach locations were easy to reach for the vast majority. Family and children centres were the easiest for interviewees to get to.

- All non-prison location types seem to be ideally suited for outreach advice, as people visit them frequently and consistently. Housing offices were the least frequently visited: on average interviewees visited them between once every two and three weeks.

3. Are financially excluded groups among outreach location users?

Associated indicators of financial exclusion

All location types surveyed generally served a considerably higher proportion of people with demographics indicative of financial exclusion than the national average (though family and children centres and community centres served a greater proportion of individuals with educational qualifications higher than the national average).

Interviewees tended to live in deprived areas: 75 per cent of interviewees lived in the top 20 per cent of the most deprived areas in England; 47 per cent lived in the top 10 per cent of deprived areas.
Results also demonstrated that a significant number of outreach location users report *experiencing* financial exclusion.

**Interviewees with no current accounts or financial products**

Across all non-prison outreach locations, 5 per cent of interviewees fell into this most financially excluded category. In comparison, 40 per cent of prisoners reported having no current account or other financial product.

**Interviewees with no current accounts but other financial products**

The survey found that 22 per cent of non-prison interviewees and 24 per cent of prisoners were financially excluded in that they had no current account, although they did have other financial products. Almost one third (31 per cent) of credit union interviewees belonged to this group, compared to 16 per cent of community centre interviewees.

**Interviewees with basic current bank accounts**

The survey found that 23 per cent of interviewees in credit unions had a basic bank account in comparison to 21 per cent of community centre interviewees, 19 per cent of prisoners and 18 per cent of housing office interviewees. Only 13 per cent of family and children centre interviewees fell into this financially included category.

A minority of interviewees with basic bank or building society current accounts did not use them for day-to-day money management and, therefore, can be described as financially excluded.

**Interviewees with current bank accounts**

Community centre interviewees were significantly more likely to report having a current bank or building society account compared to interviewees in other outreach location types. The survey found that 61 per cent of them held current accounts compared to only 18 per cent of prison interviewees.

A small number of interviewees reported not using their current bank or building society account for day-to-day money management. This group can be described as financially excluded.

**Financially included vs. financially excluded interviewees**

Drawing on the above results, one third (33 per cent) of non-prison interviewees fell into the financially excluded category compared to almost three-quarters (73 per cent) of prison interviewees. 51 per cent of credit union interviewees, 32 per cent of housing office interviewees, 31 per cent of family and children centre interviewees and 19 per cent of community centre interviewees belonged to the broadly financially excluded group.
Multiple prison sentences and financial exclusion

Those who had been in prison previously were more likely to be financially excluded. The survey found that 60 per cent of those who were in prison for the first time and 80 per cent of those who had been in prison before were financially excluded.

Also, financially excluded prisoners had served significantly more prison sentences than financially included prisoners. These findings suggest that financial exclusion might both play a role in, and be reinforced by, custodial sentences.

4. To what extent do outreach location users have money issues?

Budgetary awareness, money management and experience

- Between 41 per cent and 54 per cent of interviewees in all five location types reported that they knew exactly how much money they had to spend on household expenses. These results point to outreach location users being conscious of their limited budget.

- Housing offices and prisons had the largest proportion of people falling behind with some or all of their bills and credit commitments (17 per cent and 16 per cent respectively).

- Credit unions contained the lowest proportion of people able to keep up with all bills and commitments without difficulty (31 per cent).

- Community centre and family and children centre interviewees contained the greatest overall proportion of people keeping up with their bills and commitments, albeit with a struggle in the case of some of them (88 per cent and 91 per cent respectively).

- Interviewees were most frequently behind on their household bills. Financially excluded non-prison interviewees reported being behind on these most often.

- Fifty-two per cent of prison interviewees who reported being behind on bills and credit commitments were behind on payments for court fines.

- Twenty-seven per cent of interviewees in non-prison outreach locations reported that they ran out of money always or most of the time.

- A high proportion of prison interviewees (30 per cent), notably those who were financially excluded, reported that they had always run out of money before the end of the week or month before going to prison.

- Those who had been to prison before reported running out of money before going to prison more often than those who were in prison for the first time.
Loans and credit arrangements

A relatively high percentage of interviewees in family and children centres, housing offices and credit unions possessed personal loans from companies that came to their home to collect payment (between 10 per cent and 12 per cent in each location type). Use of such non-mainstream credit services has been associated with financial exclusion. Loans from the Jobcentre Plus-administered Social Fund were also relatively common in all five outreach location types surveyed (between 9 per cent and 14 per cent).

Prison interviewees reported substantially fewer loans and credit agreements, with 59 per cent of interviewees reporting that they possessed none, again demonstrating their high levels of exclusion.

Unsurprisingly, financially included interviewees reported being in possession of personal loans with a bank or building society and credit cards that were not settled in full each month far more frequently than the financially excluded. This highlights the latter group’s exclusion from mainstream credit services.

Cluster analysis showed that interviewees with a personal loan from a company that came to their home to collect payments tended to be more likely to have a loan from the Social Fund, and also a loan from a credit union. This finding fits with the fact that all three have been named as common sources of credit accessed by the financially excluded.

Serious financial difficulties

The highest percentages of interviewees reporting serious financial difficulties since the beginning of 2003 were found in credit unions (41 per cent) and the lowest in community centres (28 per cent).

In non-prison locations, the financially excluded group tended to report having experienced serious financial problems more often than the financially included, although the difference was marginal.

Prison and debt

- Of the interviewees who had serious financial problems before going to prison, 38 per cent reported that their debt problems had got worse since the start of their sentence. Mounting interest and the inability to contact their lenders from prison were common problems.

- Twelve per cent reported falling into debt since being in prison. Reasons for this debt included the inability to stop interest and cancel direct debits and mobile phone contracts. Some interviewees mentioned issues related to housing – a common problem area for prisoners.

- Thirty per cent of prison interviewees who reported financial problems or debts said that their partner or family outside prison had experienced problems because of these money issues.
Anxiety about money issues

The survey found that 67 per cent of interviewees from the non-prison locations reported spending ‘all or most of their time’ worrying about their money problems, demonstrating the impact these problems can have on people’s lives. Financially excluded people spent more time worrying about money. On average, prison interviewees spent less time worrying.

Interviewees across all outreach location types reported that the impact of their financial problems on their life had been ‘markedly severe’, with interviewees in credit unions reporting the most severe impact, closely followed by community centres. Prison interviewees reported a more severe impact than any of the non-prison location interviewees.

5. Awareness, usage, and attitudes vis-à-vis existing mainstream advice services

Awareness

Seventy-nine per cent of interviewees lived within a two-mile radius of a Citizens Advice Bureau (CAB) and 90 per cent lived within two miles of a solicitor. These percentages are high when compared to the same information for the general population (59 per cent live within two miles of a CAB and 79 per cent within two miles of a solicitor). However, good mainstream advice provision does not necessarily mean people are aware of it.

- Of those with at least one solicitor office within two miles, 51 per cent of interviewees who were questioned in non-prison outreach locations were unable to identify any.
- Fifty-five per cent of interviewees with a CAB within two miles were not aware of this.

Interviewees in family and children centres, housing offices and credit unions were less knowledgeable about mainstream local advice provision than the population in general.8

Interviewees from credit unions were least likely to identify a local solicitor, while community centre interviewees demonstrated high levels of awareness.

Regarding local CABs, unawareness was particularly high among interviewees in family and children centres and credit unions. Again, interviewees in community centres showed high levels of awareness.

Interviewees falling within the financially excluded group were more likely to be unaware of both local solicitors and CABs than other interviewees. These interviewees are clearly ‘hard-to-reach’ and, therefore, are within the target group of the money advice outreach pilots.

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8 Based on findings from the LSRC’s English and Welsh Civil and Social Justice Survey.
Prison interviewees were often unaware of the full range of advice available to them in prison.

**Usage**

Interviewees in real financial difficulties\(^9\) were asked whether they had received any advice from friends or relatives, people or organisations they owed money to, or ‘anyone else’, e.g. independent and impartial advice providers such as CABx, solicitors or Law Centres.\(^10\)

The survey found that 31 per cent of the non-prison interviewees and an alarming 90 per cent of prison interviewees reported not receiving any advice about their financial difficulties.

Credit union interviewees were more likely to have received advice from friends or relatives, people they owed money to, or from ‘anybody else’. In all outreach locations, only a small proportion of interviewees (10 per cent or less) were receiving advice on how to manage their money at the time of the interview.

Although prison interviewees were particularly financially excluded, only 6 per cent of them were receiving advice on how to manage their money on a day-to-day basis. However, a number of prison interviewees had sought advice on a range of potentially related issues (drugs, housing and welfare benefits). Almost one quarter (23 per cent) of prison interviewees had not sought advice on any issue.

**Attitudes**

At the time of the survey interview:

- Sixteen per cent of non-prison interviewees felt they needed advice or help with managing their money;
- Seventy-nine per cent felt they did not; and
- Four per cent said they did not know whether they felt they needed advice or help.

Of those who thought they did need advice:

- Thirty-nine per cent felt it would be useful to receive advice on budgeting and money management;
- Sixteen per cent felt that general money advice would be helpful; and
- Twelve per cent would welcome advice on paying, restructuring and dealing with debt problems.

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\(^9\) Defined as: finding themselves in serious financial difficulties, e.g. falling behind on their rent or unable to pay utility bills since the start of 2003, and/or having real financial problems and having fallen behind with many bills or credit commitments.

\(^10\) The full list of ‘anybody else’ was comprised of: solicitor, Citizens Advice Bureau, National Debtline, Money Advice Trust, Consumer Credit Counselling Service, Law Centre, CLS Direct, other dedicated advice service, Trade Union, Shelter, a bank or building society, a loan/finance company, a credit union, a mortgage company, a court, Inland Revenue/HMRC, a local councillor/MP, a local council, JobCentre/JobCentre Plus, another professional person/organisation.
Financially excluded interviewees tended to feel that they needed general money advice or simply ‘anything’ that could possibly help them, indicating that they could not specify what advice they needed.

The survey found that 23% per cent of prison interviewees felt they needed advice or help while 73 per cent felt they did not. Some had specific suggestions on what advice would be useful to address debt; others talked about more general advice on money management. Some spoke about basic budgeting skills and advice on controlling spending and saving. One interviewee said:

“Just how to manage [money]. I don’t think about it until it’s gone and then I start worrying. I need someone to teach me how to plan ahead.”

This quote illustrates the interconnection between the experience of debt issues and financial capability.

Many prison interviewees said that they were concerned about interest payments and whether these could be frozen. Advice on paying bills, contacting creditors, taxation, clearing a joint debt with an ex-partner, re-structuring loans and filing for bankruptcy were also mentioned. Interviewees referred specifically to debts in relation to accommodation outside of prison. The linked issues of housing, debt and also benefit receipt are reflected in this quote:

“Not sure what is happening about my flat rent, as Housing Benefit stopped. I don’t know if I will have a home to go to.”

Issues relating directly to financial exclusion were also mentioned:

“You’re at the bottom (...) most people who come to prison. If you had an account and a proper address you could make progress. We cannot win without a proper address, we can do nothing.”

Propensity to seek advice in the future

- Seventy-five per cent of interviewees in all non-prison outreach locations said they would consider seeking professional advice about serious future money problems or current problems they had not sought advice for. Community centre interviewees tended to report a more positive attitude than interviewees in other location types.

- Twenty-two per cent of financially excluded interviewees said they would not seek professional advice, even if they were having serious money problems. Fifteen per cent of financially included interviewees would also not consider seeking professional advice. In both cases, these are clearly ‘hard-to-reach’ groups who could benefit from money outreach advice in locations that they are familiar with and feel comfortable using.

- Some interviewees who would not consider seeking professional advice for serious money problems said they would turn to their families for help rather than professional advice.

- For those who did say they would seek advice, CABx are a particularly popular source. Solicitors were unpopular among housing office interviewees.
While 29 per cent of financially included interviewees considered banks or building societies as potential sources of advice, only 14 per cent of financially excluded interviewees did so.

While 9 per cent of financially excluded interviewees cited Jobcentres as a potential source of advice for serious money problems, only 2 per cent of financially included interviewees did so.

Thirty-nine per cent of prison interviewees said they would consider seeking professional advice about serious money problems when they were released. 50 per cent said they would not. This was because a high number of these prison interviewees did not envisage having financial problems upon release (52 per cent). Fifteen per cent felt that seeking professional advice would not make a difference.

Forty-eight per cent of prison interviewees who said they would consider advice for serious money problems upon release said they would go to a CAB, while 23 per cent said they would go to a bank or building society.

Preferences for advice receipt

Four out of five interviewees would prefer to receive advice in person, notably those who were interviewed in housing offices and community centres.

Interviewees in family and children centres reported more frequently than others that they would like to receive advice over the telephone (13 per cent). Credit union interviewees had the highest percentage of interviewees who would like to receive advice in writing (11 per cent). Financially excluded interviewees were less likely to prefer face-to-face advice, and significantly more likely to prefer advice in writing (10 per cent compared to 4 per cent among financially included interviewees). Arguably, financially excluded groups may prefer a more anonymous way of receiving advice on sensitive matters, such as serious money problems.

In all three cases, however, face-to-face advice was the preferred option for most interviewees.

6. Attitudes towards and propensity to use the money advice outreach pilots

Perceived value of money advice in outreach locations

Most interviewees thought that the interview location was a good place to receive advice (86 per cent). There were differences across location types. For example, family and children centre interviewees seemed slightly less positive, although 80 per cent still thought they were a good place.

Non-prison interviewees felt that the outreach location they were interviewed in was accessible and convenient, familiar and friendly, frequented by those experiencing
deprivation and those in need of money advice, and had the benefit of providing ‘drop-in’ and multiple advice services. Interestingly, financially excluded interviewees mentioned how they associated the location with trust and the professional quality of advice more often than did financially included interviewees.

Two quotes from prison interviewees illustrate the value attached to money advice outreach in prisons:

“A lot of people here are not stable in life. They need advice on how to keep their money and spend it wisely. It will give them stability and security for the future, rather then spending it on drugs and things. They’ll do better in life.”

“It’s a very good place. The people here have done crime for money. If they had better advice – on budgeting, saving – this would stop the crime.”

Use of money advice outreach services

In locations where a money advice outreach pilot had recently been set up, 20 per cent of credit union interviewees reported having used the service and finding the advice useful, clear and friendly.

Only 3 per cent of prison interviewees reported that the money advice outreach pilots were up-and-running in their prison. Those who had used the service reported that it had been useful, mainly because it had helped them to stop worrying about their debts.

Propensity to use money advice outreach services in the future

Eighty-two per cent of non-prison interviewees said they were very likely or fairly likely to use the advice due to be provided under the pilot projects if they had money problems. There was no significant difference between financially included and financially excluded interviewees. In comparison, 61 per cent of prison interviewees said they were very or fairly likely to use the new services.

Of non-prison interviewees who said they would not use the pilots, 53 per cent reported this was because they did not anticipate having money problems in the future and would not need such a service. Other responses were mixed: some said they would rely on their family as their main port of call, while others felt professional advice would not make a difference.

7. Additional results: interviewer feedback and survey research process

Outreach locations: interviewer observations

There were considerable variations between the numbers of people passing through the different locations. Some outreach locations only had a small number of visitors, e.g. family and children centres, while housing offices were the busiest location.
It was common for the flow of visitors to be sporadic and even more common for it to be concentrated around certain times. Additional comments offered by interviewers included:

- Many outreach locations had classes on with quite high numbers of people arriving and leaving together but not much flow in between times.

- Often people visited community centres for their breakfast or dinner but, at other times, the centres were very quiet.

- Some outreach locations were mainly used for pre-arranged appointments or meetings at fixed times. These were often spread out and very few people passed through these locations for other reasons. This was the case particularly in family and children centres.

While some outreach locations did have many people passing through them, it did not necessarily always follow that these were the places where the greatest numbers of interviews were achieved. At some locations the refusal rate was high with people declining to take part for a number of reasons, including:

- They had young children with them. This finding might have implications for how outreach advice is delivered, especially in family and children centres.

- They were with someone else. Similarly, this might put some people off seeking money advice, although some might also welcome the opportunity to discuss a difficult issue with a friend or family member present.

- People were at outreach locations for classes. When the classes finished everyone left together. Facing up to and seeking advice on a difficult issue, such as a debt problem, requires courage. Waiting for 30 minutes, more likely longer, to seek advice during a particularly busy time might dissuade people from undertaking that first step.

- On other occasions, particularly in community centres, people were visiting the location for social purposes and did not want this disrupted by an interview.

- Occasionally the interview rooms provided were out of the way and/or difficult for people to get to, especially if they had mobility problems. Clearly, the implication for the provision of money advice outreach services is that the room where debt advice is provided should be accessible to all potential users, as well as being private.

- On a few occasions people were illiterate, had language problems or spoke English as their second language and, therefore, felt unable to take part in an interview. Advertising of the money advice pilots in outreach locations should take account of this.

Research conclusions are set out in the following Key Research Implications and in detail in Chapter 10 of the report.
Key Research Implications

The findings set out in this report, which constitutes the first phase of the evaluation of the LSC’s money advice outreach pilots, show that the pilots are relevant to key Government concerns: namely, tackling financial and social exclusion, helping people to address their debt problems, and providing outreach advice to meet the specific needs of disadvantaged and ‘hard-to-reach’ individuals. Results provide new insights, confirm previous research findings and offers useful information for outreach advice services other than money advice.

The survey shows that the money advice outreach pilots could have a significant positive impact, and have the potential of meeting the core objective of providing money advice to disadvantaged, financially excluded and ‘hard-to-reach’ groups.

However, findings also demonstrate that there are important variations between the five outreach location types surveyed – prisons, credit unions, housing offices, family and children centres, and community centres – with implications as to how to best deliver the outreach ‘on the ground’. Given that outreach advice should be moulded to the needs of its target groups, it is crucial that the pilots, and any subsequent policy initiatives, take account of this.

The key research implications presented here are therefore split into general research conclusions, followed by specific research implications for each of the five outreach location types surveyed.

Meeting objectives

The findings show that, in regard to the outreach locations surveyed, the target of reaching areas or groups facing high levels of deprivation and financial exclusion has been met. A considerably higher proportion of people with demographics indicative of social and financial exclusion compared to the population in general were found in the five different outreach location types.

Survey results demonstrate that the outreach locations provide access to people experiencing financial exclusion. In particular, the survey findings provide a compelling picture of the relationship between financial exclusion and prison sentences. The survey found that 60 per cent of those who were in prison for the first time, and 80 per cent who had been to prison before, were financially excluded.

The survey results strengthen the argument that financial exclusion exists on a continuum, with the boundaries between financial exclusion and financial inclusion being ‘fuzzy’. Even if vulnerable people are not experiencing financial exclusion at a given point in time, they could become financially excluded in the future in the absence of adequate policies to avoid a downward spiral. Given the continuum of financial exclusion, it is important that the pilots do not have to adhere to a tight definition of whom they are allowed to provide advice to.

A further objective of the money advice outreach pilots is reaching out to people who would not normally seek help from mainstream advice services. Many interviewees, notably the financially excluded, were not aware that there was a CAB or a solicitor within two miles of their home. Prison interviewees also showed low
levels of awareness of general advice provision in prisons, plus a reluctance to seek advice. In addition:

- Almost a third (31 per cent) of non-prison interviewees who had either experienced real financial difficulties since the start of 2003, or were having financial problems at the time of the interview, reported not receiving any advice at all.

- An overwhelming number of prison interviewees (90 per cent) who reported real financial difficulties had not received any advice.

Further, 22 per cent of financially excluded non-prison interviewees and 15 per cent of non-prison financially included interviewees reported that they would not seek professional advice, even if they were having serious money problems. These are clearly ‘hard-to-reach’ groups who could benefit from proactive money outreach advice in locations they are familiar with and feel comfortable using.

Whilst not all the interviewees in family and children centres, credit unions, housing offices, community centres and prisons reported having money problems, many had experienced financial difficulties over the last three years, were struggling to make ends meet at the time of the interview, or were experiencing acute debt issues for which they were not getting any advice. This indicates that another core target of the pilots, namely reaching those with money problems, has also been met.

In regard to the propensity to use the money advice outreach pilots, the survey findings show that people would welcome money advice in the location in which they were interviewed. Accessibility was mentioned frequently as a factor, as were familiarity, trust and friendliness. Many also expressed a preference for money advice outreach that was readily and quickly available.

Interviewees would most like practical advice on money management and budgeting, how to get out of debt, as well as advice on benefits entitlement. The survey found that 82 per cent of non-prison interviewees would either be very likely or fairly likely to use the pilots if they had money problems.

The advantages of outreach advice

The survey results offer a compelling view of the potential benefits that can be realised through outreach advice for some groups in the population. Interviewees:

- talked about the location they were interviewed in as being local, accessible and easy to get to, and therefore not involving any expensive transport costs;
- visited the non-prison outreach locations frequently and consistently, making them further suited for outreach advice;
- welcomed the familiarity and friendliness they associated with the locations;
- and spoke about money advice outreach in the interview location being a good idea because they felt at ease and had received good professional advice for other issues.

The benefit of multiple advice services in one location was also mentioned. Disadvantaged people are more likely to have multiple needs and to require several services. Receiving advice on a number of issues at the same location at one time can be valuable.
Positive experiences meant that interviewees trusted the outreach location and its staff. Advice in trusted locations is likely to result in people feeling more at ease, more confident, and better equipped to articulate their money problems and advice needs in a ‘safe’ environment. However, the advice has to be high quality in order not to disappoint or mislead advice-seekers, who may be less sensitive to incorrect information and less inclined to question the advisers’ expertise than people using mainstream advisers.

It is noticeable that some interviewees cite their family as a reason for not seeking ‘external’ professional advice. However, relying on family members for advice is likely not to be as effective as professional, impartial advice. The offer of outreach advice in a familiar and trusted location might result in more people seeking advice, as it is less daunting than going to an external mainstream adviser and has, arguably, more of a ‘family-feel’ to it.

Financially excluded interviewees in non-prison outreach locations were more likely not to consider seeking advice because they were too embarrassed or ashamed compared to financially included interviewees. Outreach advice sensitive to these feelings has the potential to reach out to these individuals.

Breaking down barriers to seeking advice – by providing outreach money advice – may also result in breaking down the widespread mistrust of mainstream financial services companies among people who are on the margins of these services. Trusted money advice in an outreach location can highlight the benefits of access to a current account to those without one.

Given the survey’s findings on the negative impact of debt problems on interviewees’ worry and anxiety levels, the money advice outreach pilots also have the potential to increase people’s well-being.

**Delivering outreach advice according to people’s preferences**

Most interviewees by far prefer to receive money advice in person. Although this also holds true for financially excluded individuals, their preferences are not as clear as those of financially included individuals.

A small number of financially excluded individuals would prefer advice in writing. There were further subtle differences. Interviewees in family and children centres report more frequently that they would like to receive advice over the phone – although the great majority would still prefer face-to-face advice.

The survey also indicated that interviewees do not want to translate general information derived from a leaflet to their own situation, but want advice that is targeted towards their own circumstances straightaway. This points to the importance of outreach advice being immediate and not subject to delay.

On the other hand, some outreach location visitors – once aware that debt advisers are in the location at a given time each week – might prefer to make an appointment. For example, they might feel embarrassed about seeking advice when coming out of a class as other visitors would see them. Quieter times would offer them greater anonymity and privacy. Facilities to arrange appointments at a time when the debt adviser is in the location would be helpful.
Across all non-prison outreach locations, a relatively high percentage (39 per cent) mentioned that they would like to receive emotional support from an adviser. This is not surprising, given the impact debt problems have on people’s well-being. Similarly, among prison interviewees emotional support was frequently mentioned. These findings demonstrate clearly that debt advisers are required to be sensitive to the psychological impact of money problems on people’s lives.

Results point towards the pilots providing some training on money management and budgeting, either separately or as part of the debt advice provided. Improved budgeting skills could prevent debt problems escalating or even arising in the first place.

Financially excluded interviewees tended to feel what they needed was general money advice or simply just ‘anything’ that could possibly help them. This could indicate that financially excluded groups are not able to say specifically what advice they need for managing their money. Effective and proactive outreach advice might help them to address their individual needs.

Interviewees generally expressed a preference for money advice services in the locations where they were interviewed. There was considerable evidence that Jobcentres would be a popular location for delivering money advice outreach. Given the high unemployment figures among all interviewee groups, Jobcentres seem a credible location for offering these services.

A few interviewees thought money advice services in their location would be a good idea, but appropriate advertising was crucial in order to make potential users aware of the service. The mere offer of advice does not guarantee success. Promoting outreach advice effectively also entails providing oral advertising to reach those with literacy difficulties.

Interviewees felt that it was important to have a private room or area to discuss matters. Feedback from interviewers showed that private rooms or areas were not always available in the outreach locations surveyed, or in some cases were difficult to get to for people with mobility problems. It is therefore important for the money advice outreach pilot projects to ensure that a separate room or area is available for confidential money advice.

**Different types of outreach advice**

Not everyone will be reached through ‘fixed’ outreach delivery, particularly those people who experience extreme forms of financial and social exclusion and are unlikely to frequent any institutional setting at all. They may require more proactive forms of outreach delivery. This can take the form of ‘roaming’ outreach advice; targeting specific groups on a just-in-time basis. The second phase of the evaluation of the pilots will include findings on roaming outreach services and their efficiencies from the provider perspective.

Geographical clustering of potential clients detected in the non-prison locations lends itself to outreach advice. Many people lived close by and found it easy to visit the outreach location surveyed. Reaching out to people in areas where there are no clusters of disadvantaged people in potential need is even more challenging. In these more dispersed pockets of deprivation, roaming outreach advice is more likely to
reach people in need of advice than fixed outreach advice in an inconvenient location.

Public legal education and financial capability

The survey points to the importance of closing knowledge gaps on the availability and accessibility of mainstream advice. Many interviewees could also benefit from developing confidence when dealing with money issues, from being able to recognise the legal dimension of a money problem at an early stage and knowing where to go for initial advice. Increased knowledge and confidence in issues relating to money problems might also include the realisation that advice from family, friends or creditors might not be the best source of advice.

The results indicate that poor knowledge of income levels and poor access to, and knowledge of, mainstream banking are inter-related. A number of interviewees who were financially excluded reported not knowing what their total household income was. Also, interviewees in all the surveyed locations see a need for advice on money management and budgeting. These results point to the importance of financial capability initiatives.

Many who experienced financial exclusion had dependent children living with them who would not see their parent(s) using mainstream banking services routinely and confidently. Encouraging parents to access and feel comfortable using a basic or current account would benefit their children.

Lastly, different population groups have different financial capability needs. For instance, financially excluded women in family and children centres require different information from a prisoner just starting his prison sentence. Targeted information leaflets or classes might be beneficial.

Prisons

The survey provides convincing evidence that money outreach advice in prisons is necessary, and that prisoners, their families and society in general could benefit. The results confirm previous persuasive findings highlighting that prisoners are a particularly excluded group.

Financial exclusion might play a role in, and be reinforced by, custodial sentences. The survey found that 60 per cent of those in prison for the first time and 80 per cent of those who had been in prison before were financially excluded. Financially excluded prisoners also served significantly more prison sentences than financially included prisoners.

The causality of this link must be elucidated in future research to determine whether tackling financial exclusion could help to reduce re-offending. Drawing on the interviewees’ own perspective, a number of them certainly believed that money advice in prisons would reduce re-offending rates on release.

Prison interviewees, notably those who were financially excluded and those who had been in prison before, were the most likely group to always run out of money before the end of the week or month before going to prison (30 per cent). Drug addiction and its associated costs may be a reason for this.
Prison interviewees reported fewer loans and credit arrangements than non-prison interviewees: 59 per cent did not possess credit or loans arrangements. However, a relatively high proportion (12 per cent) reported that they had got into debt since being in prison, many citing their housing situation outside of prison as a cause. This highlights the importance of ‘joined-up’ debt and housing advice for prisoners.

The survey found that 30 per cent of prison interviewees who reported financial problems said that their partner and/or family was experiencing problems because of their debts, illustrating the impact that money problems have on families, especially when the individual is in prison and possibly unable to deal with financial problems and creditors directly.

Money advice outreach services in prisons could offer joint advice sessions for the prisoner and partner or family. This could result in all parties improving their knowledge of how to tackle debt, how to manage money and how to budget. Information on how to access mainstream financial products would further benefit financially excluded prisoners and their families.

Given the high incidence of financial exclusion and money problems, it is surprising that only 6 per cent of prison interviewees reported receiving advice at the time of the survey interview on how to manage their money on a day-to-day basis. This contrasts with 23 per cent who felt they needed advice or help about managing their money.

A staggering 90 per cent of prison interviewees who reported real financial difficulties over the last three years had not received any advice for their problems. Clearly, effective money advice outreach can reduce this substantial need.

Prison money advice services may need to find innovative ways of ‘reaching out’ as the survey results highlight that the offer of advice might not be taken up. Outreach needs to be proactive to engage prisoners. Offering weekly one-to-one advice sessions might not be sufficient for those who are particularly ‘hard-to-reach’, but approaching prisoners directly and in person might be an option.

Prison interviewees were positive about the pilots, a high number mentioning that prisoners needed advice on debt and on how to deal with bills while in prison. Many also mentioned that advice on money issues was necessary for its general money management benefits. The feeling was that learning how to deal with money in a better way would give future ‘stability and security’. Money management and budgeting training could also have the potential of making prisoners feel more empowered and confident about being able to ‘sort things out’ themselves. Increased knowledge was conceptualised as a necessary first step in addressing challenging financial situations.

A number of prison interviewees said that advice was especially beneficial during a prison sentence. Some viewed their prison sentence as a time to reflect and to gain the necessary skills to deal with their lives more successfully on the ‘outside’. A small number of prison interviewees made specific reference to the positive impact that money advice could have on their housing situation outside of prison. Again, this shows how housing issues are of concern to prison interviewees, and are often tied up with their money advice needs.

Overall, results imply that prisoners may benefit from having access to a single adviser with responsibility for mitigating the impact of imprisonment on prisoners’ often interlinking housing, debt and benefit situations. In the latest Government report
on social exclusion, the advantage of ‘providing tailored programmes of support built around strong and persistent relationships with those at risk’ is stressed.11

Clearly, many of the prison interviewees, as well as some of the interviewees in the other location groups could profit from ‘strong and persistent relationships’ with one advisor to meet their multiple and ongoing needs.

**Credit unions**

A clear picture emerges of a group of people whose socio-demographics indicate social exclusion and disadvantage and who experience significant money problems. For instance:

- 41 per cent (the highest percentage out of all the groups) reported serious financial difficulties since the start of 2003.
- Only 31 per cent of interviewees in the credit unions surveyed reported being able to keep up with all bills and credit commitments without difficulty.
- 32 per cent could not envisage not having money problems in the future.

The very fact that they were interviewed in a credit union, however, points to recognition that they need to address their financial issues. Also, credit union interviewees were the most likely to have received advice for financial difficulties from friends or relatives, people they owed money to and/or from professional advisers.

Therefore, it is surprising that credit union interviewees were the least likely (70 per cent) to consider seeking professional advice for future money problems. However, it was more encouraging that a very high proportion of them (92 per cent) believed that credit unions would be a good place to offer money outreach advice. The survey found that 22 per cent of interviewees visited the credit union location every day, pointing to the location’s accessibility and familiarity.

Outreach advice in credit unions is also likely to reach people with a lack of awareness of mainstream local advisers. Many interviewees were not aware that there was a solicitor or local CAB within two miles of their home.

**Housing offices**

Debt advice is clearly welcomed and required by those surveyed in the housing offices. They were the most likely interviewee group to fall behind with some or all of their bills and credit commitments (17 per cent). One third (32 per cent) reported experiencing financial exclusion.

The survey found that 12 per cent of housing office interviewees possessed personal loans from companies that came to their home to collect payment. They reported the highest total number of loans and credit arrangements across the location types. Personal loans with a bank or building society and credit cards bills not being settled in full each month were particularly prevalent.

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Given these findings, it is not surprising that this group were the most likely to specify that they would like advice on how to get out of debt (68 per cent) in preference to practical advice on money management and budgeting (54 per cent).

In one case, an interviewee who had been a victim of domestic violence was seeking to be re-housed. She also required advice on how to deal with the joint debts she had with her ex-partner. This is an example of how problems often cluster. There is therefore a benefit in offering money outreach advice in locations, such as housing offices, where advice on issues sometimes linked to debt is already being provided.

**Family and children centres**

Interviewees in family and children centres present the most polarised picture of all the five different outreach location types surveyed.

At first glance, interviewees in the centres appear to be in a more advantageous position than those in the other location types; they report higher income levels, less unemployment, and higher educational qualifications. However, they also reported having no current account or other financial products more often than other non-prison interviewee groups. And whilst they report the highest average household income across all five outreach location types surveyed, this average income of roughly £15,000 is still low.

Further, a relatively high percentage (10 per cent) possessed personal loans from companies that came to their home to collect payment.

Almost a third (31 per cent) reported that they had found themselves in serious financial difficulties since the start of 2003. This history of financial problems shows a vulnerability to debt, indicating that some interviewees move in and out of debt. Outreach advice has a clear role to play here in helping people to address re-occurring money problems early and effectively.

Interviewees also showed very low levels of awareness of local mainstream advice provision.

- Sixty-one per cent of interviewees with a solicitor within two miles of their homes were unaware of this.
- Seventy-seven per cent with a CAB within two miles of their homes were unaware of this.

Therefore, outreach money advice would seem particularly appropriate for this group, also given that 87 per cent of interviewees said it was very easy for them to get to their family and children centre.

However, establishing outreach advice in family and children centres faces unique challenges. Survey results, as well as fieldwork experience gained whilst conducting the survey, indicate that people visit family and children centres with their children, frequently for pre-arranged appointments, whilst often dealing with sensitive matters. On many occasions, the ‘flow’ of people using the family and children centres surveyed was sporadic. Family and children centres also stand out as having achieved the lowest daily rate of interviewing of all five outreach location types. They were the most challenging location type to get on board for the fieldwork.
Outreach services need to be sensitive to how people use a location. For family and children centres this means arranging outreach advice that is flexible and that offers fixed appointments. Facilities to arrange appointments during a time when the debt adviser is in the location would be helpful, for example: through listing slots on a discreet notice board for people to fill in or through the free use of a telephone in the location. Children are invariably going to be present during an advice session and the adviser needs to take account of this.

Lastly, most of the visitors to the centres were women who were looking after the family. Information events targeted towards women in family and children centres, focusing on the benefits of financial inclusion, practical advice on how to access mainstream financial products, and how to deal with debt could be a worthwhile policy initiative.

Community centres

Community centre interviewees were the least disadvantaged among those surveyed. However, there were still significant numbers of people visiting community centres who could benefit from money outreach advice.

The results show that many interviewees were not as ‘hard-to-reach’ as other groups. For example, they were more aware of local mainstream advice provision than the population in general (based on findings from the LSRC’s English and Welsh Civil and Social Justice Survey). This group also reported the most positive attitude to considering professional advice about serious future money problems.

However, although only 2 per cent of interviewees in the community centres (the lowest percentage across all location types) reported that they had no current account or financial products, almost one in five (19 per cent) still reported some form of financial exclusion.

Again, although only 4 per cent possessed personal loans from companies that came to their home to collect payment – and 13 per cent reported loans from a mainstream bank, building society or finance house (confirming that they are the most likely group to access mainstream banking services) – 28 per cent reported serious financial difficulties since the start of 2003.

Of interest, community centres were a popular potential location for money outreach advice for credit union interviewees and among housing office interviewees
1. Introduction

1.1 Overview

This chapter presents the policy background behind the money advice outreach pilots, followed by a brief overview of the aims and set-up of the pilots themselves. The evaluation strategy is then described. The first phase of the evaluation, the focus of this report, is presented in broad terms. The last section of this chapter presents an overview of the remaining report.

1.2 Policy Background

The Legal Services Commission (LSC), the public body responsible for the provision of legal aid in England and Wales, has received funding from HM Treasury’s Financial Inclusion Fund to pilot different methods of money advice outreach.

The broad policy background to the money advice outreach pilots reflects key Government concerns. These concerns encompass the need to tackle social and financial exclusion, and help people address their debts. There is also concern that mainstream advice provision does not reach specific groups in the population. The expectation is that outreach advice is a more accessible and effective way of meeting the specific needs of disadvantaged and ‘hard-to-reach’ individuals.

Financial exclusion is a term used to refer to people who have limited or no access to mainstream financial services such as bank or building society accounts. It can have significant consequences for individuals, their families and society as a whole, for example when government or community expenditure is needed to assist those in financial hardship. Maintaining a household budget without mainstream financial services is often expensive and difficult. Regardless of how well low-income families manage their finances, their efforts can be thwarted by a lack of access to affordable credit and debt advice. As financially excluded people are unable to access mainstream loan and credit services, they turn to less regulated, costly, and sometimes illegal sources of credit. Having to rely on the high-interest alternative credit market often results in spiraling and unmanageable debt.

In recognition of the problems faced by those experiencing financial exclusion, HM Treasury published Promoting Financial Inclusion in December 2004. A Financial Inclusion Fund of £120 million over three years was announced in the 2004 Pre-Budget Report. Various initiatives to tackle financial exclusion were also announced, such as increased access to banking, to affordable credit and to free face-to-face debt advice. HM Treasury established a Financial Inclusion Taskforce to oversee

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1 See Chapter 3 for an in-depth discussion of financial exclusion.
4 £45m from the Financial Inclusion Fund has been allocated to increasing the provision of free face-to-face debt advice in England and Wales. The funding is split over a 2-year period (£15m in 2006/07 and...
and monitor progress against targets.\(^5\)

Concerns about financial exclusion tie in with one of this Government’s key priorities: tackling social exclusion, ‘a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime, bad health and family breakdown’.\(^6\) The following quote from a recent Government report illustrates the importance attached to financial exclusion within the Government’s overall social exclusion strategy:

“That strategy includes a range of initiatives to tackle many different aspects of poverty and social exclusion, such as the transmission of disadvantage from one generation to the next, low aspirations that hold people back, financial exclusion and the concentration of disadvantage in some neighbourhoods.”\(^7\)

Improving the way public services are delivered can improve some of the disadvantages socially excluded individuals experience. Outreach advice plays an important part here. The term has been used in different ways, but is most often applied to schemes where services are made available in locations from which they would not usually be accessible. These outreach locations are often community-based, meaning that they have the benefit of geographical proximity to the target group – i.e. those who would not normally seek advice. Community-based services also represent a non-threatening environment and are staffed by local people who understand [the target group] and their needs.\(^8\) A common example of an outreach location is GP’s surgeries, which have been used as a setting for the delivery of benefits advice.\(^9\) Outreach advice can also be delivered using more innovative approaches, such as ‘roaming’ outreach advice to target specific groups who may not present themselves at any institutional setting. New technologies, such as video-link facilities, have also been used.

Irrespective of delivery method, the rationale behind money outreach advice, indeed any form of advice, is that it is beneficial for those confronted with a problem. However, while links between debt problems, social exclusion, financial exclusion and poverty are established, there has until recently been a paucity of clear and reliable empirical evidence of the impact of money advice. The Legal Services Research Centre’s recent report on the impact of debt advice, drawing on four different studies, now provides clear evidence of a positive impact.\(^10\) The research showed that advice can improve people’s financial circumstances and their

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\(^5\) The Financial Inclusion Taskforce was formally launched in February 2005. It monitors progress on the objectives the Government has set out on financial inclusion and makes recommendations on what more needs to be done. The 12 members of the Taskforce have been drawn from across the financial services sector, the voluntary and community sector and academia. See www.financialinclusion-taskforce.org.uk


understanding of their personal finances. It helps them to better target ‘priority’ debt. The research also indicated that people’s levels of anxiety, general health, relationships and housing stability benefited from advice. The money advice outreach pilots therefore clearly have the potential to help people deal with their money problems and thereby improve their lives.

1.3 Money Advice Outreach Pilots

Background

The LSC’s funding for the money advice outreach pilots is £6 million, which is spread over three years (from 2005 to 2008).

The money advice outreach pilots are aimed at areas or groups facing high levels of deprivation and financial exclusion. The objective of the money advice outreach pilots is to take legal and advice services to locations that are already frequented by potential clients, but where money advice services cannot ordinarily be accessed. Through this delivery method it is hoped that the pilots will reach those who would not normally seek help from mainstream advice services, whether face-to-face or by telephone. The objective of the money advice outreach pilots is also to provide money advice by new methods and by new partners.

The key parameters for the money advice outreach pilots, provided to the Department for Constitutional Affairs (DCA) by HM Treasury in December 2004, are as follows:

- The project should allow for the opportunity to explore different variants of money advice outreach. This should include providing money advice in new locations, by new methods and with new partners.
- The outreach variants should be focused in areas of high financial exclusion, and the advice provided as part of the study should be targeted towards those most likely to experience financial exclusion.
- Advice funded as part of the study should meet standard value-for-money requirements.
- Where elements of the project are to be delivered through voluntary and community sector organisations, this should be compliant with the Compact on relations between Government and the voluntary and community sector in England.
- Funding for money advice activities as part of the project should not lead to the displacement of existing funding for money advice.
- The study should take into account existing work in the area of money advice provision, and aim to build on this where possible.

Monitoring and Evaluation:

- An appropriate monitoring framework should be developed, and mechanisms should be set in place to evaluate the impact of the variants tested at the end of the study.
Length of the Study:

- Results of the study should be made available to the Financial Inclusion Taskforce by 31 March 2008. Where possible, interim results and conclusions should also be shared with the Taskforce.

**Money advice outreach pilots**

At the start of 2006, following an extensive tender process, the LSC awarded contracts to 20 agencies for the delivery of money advice outreach services in a range of different types of locations across England and Wales. A further two organisations from the reserve list of bids were added in July 2006. Among the organisations awarded contracts are a commercial provider, CABx, money advice providers and Shelter. Whilst a couple of the organisations began delivery of services towards the end of January, most were up and running by mid-April 2006. Contracts have been awarded covering more than 40 experienced debt advisers.

The services provide good coverage across England and Wales and include services in urban as well as rural settings. The money advice outreach pilots also include a mix of new and pre-existing partnerships, and projects that are more or less focused on a particular sector or particular types of location. The outreach locations range from prisons to Sure Start centres,\(^\text{11}\) credit unions,\(^\text{12}\) housing offices and schools. Most outreach advice is delivered through these ‘fixed point’ projects, effectively reaching hard-to-reach and financially excluded groups in an institutional setting. However, the pilots also include ‘roaming’ outreach advice: money advice offered on a just-in-time basis in multiple sites across a dispersed local area. Video-linking is also being used. Depending on individual projects, clients of the money advice outreach services can make appointments and receive advice on a ‘drop-in’ basis and/or through referrals.

Through a mix of different outreach locations and outreach delivery methods, the aim is to meet the needs of particular target groups facing particular circumstances.

1.4 Evaluation and Monitoring of the Money Advice Outreach Pilots

One of the main funding parameters set by HM Treasury was that the LSC put in place an appropriate framework for monitoring and evaluating the different outreach variants. It is fundamental to ensure that the methods of outreach being employed are the most effective possible and are reaching those people who are financially excluded and would not ordinarily seek advice.

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\(^{11}\) Sure Start is a Government programme that brings together early education, childcare, health and family support. Sure Start covers a wide range of programmes both universal and those targeted on particular local areas or disadvantaged groups within England.

\(^{12}\) Credit unions are non-profit co-operatives, which offer ethical financial services such as insurance, loans and savings accounts to local people. Credit union members must have a ‘common bond’, for example living or working in the local area, in order to join the co-operative. Credit unions are owned and democratically controlled by their members, which means that their services and investments will always benefit the local community. All profits from the credit unions are either re-invested back into the co-operative or shared between the union members.
The Legal Services Research Centre (LSRC) has been charged with the evaluation task. The LSRC is the independent research division of the LSC.\textsuperscript{13} It has a broad remit to conduct strategic research in the civil and criminal justice fields. As well as working on projects for the LSC, the LSRC also undertakes projects and analysis for other government bodies as well as for not-for-profit organisations. The centre regularly publishes in peer-reviewed journals. The LSRC’s English and Welsh Civil and Social Justice Survey has been used extensively to inform civil justice reform.\textsuperscript{14}

The DCA is funding most of the evaluation of the money advice outreach pilots.\textsuperscript{15} A fixed amount of money has been allocated from the DCA’s Debt Programme for 2005/06, 2006/07 and 2007/08.

Whilst the LSRC is responsible for the evaluation of the money advice outreach pilots, the Civil Policy Team at the LSC is responsible for collecting monitoring information from providers. Information is provided in a quantitative and qualitative form and includes: clients’ socio-demographic details, case outcomes and adviser’s time on case. This monitoring information will complement the LSRC’s evaluation findings. The evaluation will explain and provide greater depth to the monitoring results and act as a ‘control mechanism’.

\subsection*{1.5 Evaluation Strategy}

\textit{Introduction}

HM Treasury states that a major part of ensuring continuing improvement in the delivery of public services is that ‘public funds are spent on activities that provide the greatest benefits to society, and that they are spent in the most efficient way’.\textsuperscript{16}

In order to address complex questions of societal benefits and efficiency issues, policy evaluations need to employ a range of methods. The Government Social Research \textit{Magenta Book}, a set of guidance notes for policy evaluators and analysts and for people who use and commission policy evaluations, proposes the following definition:

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“Policy evaluation uses a range of research methods to systematically investigate the effectiveness of policy interventions, implementation and processes, and to determine their merit, worth, or value in terms of improving the social and economic conditions of different stakeholders.”\textsuperscript{17}
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The emphasis is on a range of research methods, which span quantitative and qualitative methods, experimental and non-experimental designs, descriptive and experiential methods, theory based approaches, research synthesis methods and economic evaluation methods. It privileges no single method of inquiry and acknowledges the complementary potential of different research methods.

\textsuperscript{13} See also www.lsrc.org.uk.
\textsuperscript{15} The Financial Inclusion Taskforce is funding some of the second phase of the evaluation.
In addition, it is helpful to distinguish between *impact or outcome evaluations*, and *process evaluations*. Often a process evaluation will help to explain an impact evaluation, in which case both types of evaluations are recommended.

“A ‘process evaluation’ involves identifying and exploring issues relating to the delivery and implementation of interventions, services, or programmes. ... It can describe how smoothly implementation has gone, how consistently provisions are being delivered or put into practice and explore staff perceptions of problems, obstacles and suggestions for improvement.”\(^{18}\)

“Outcome evaluations provide valuable information about the full range of effects or impacts of interventions, programmes or services. This is often focused on participants or service users, but can also include non-users and service providers such as administrative and managerial staff and external contractors.”\(^{19}\)

There are clear advantages in employing an evaluation approach that uses a variety of research methods, employs both process and outcome evaluation, and looks at new services from different perspectives (e.g. client and service provider). Consequently, it is the approach adopted for the evaluation of the money advice outreach pilots.

**Evaluating the Money Advice Outreach Pilots**

There are a number of key objectives that the evaluation of the money advice outreach pilots needs to meet. They can be grouped into two separate areas of enquiry, although there is significant overlap.

**Target Population**

- Are the pilots reaching areas or groups facing high levels of deprivation and financial exclusion? Are the projects reaching ‘hard-to-reach’ groups, i.e. those who would not normally seek help from mainstream advice services? What types of outreach projects are particularly successful in achieving this?

**Process and Delivery**

- Are there any differences in the setting up, running and delivery of projects, and how they reach the target groups, depending on the provider type?
- Which methods and which locations seem to work particularly well?
- Are there lessons for future funding streams that can be learnt from setting up and running the pilots? Are there any improvements that could have been made to the LSC management of the projects and how the set-up phase was conducted?

As these objectives illustrate, the money advice outreach pilots invariably involve a range of different people and organisations. The evaluation also needs to take account of these multiple perspectives:

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\(^{19}\) Ibid, p. 16
The target population for the intervention ('hard-to-reach', financially excluded and disadvantaged groups);
Those delivering the intervention (debt advisers);
Those responsible for strategic implementation (outreach project coordinators/managers on the provider side, Civil Policy Team at the LSC);
Key stakeholders (e.g. Legal Services Commission, Financial Inclusion Taskforce, HM Treasury);
Secondary or ‘wider’ groups of people affected by the intervention (e.g. personnel in outreach locations where money outreach advice is taking place (partner organisations), local authorities, other local advice agencies not involved in the pilots).

Decisions about whom to include in an evaluation exercise entails answering questions about the nature of change likely to be experienced by that population, and how important these are in the overall evaluation of the policy. Clearly, limited funding also influences these decisions. Taking the above factors into consideration, the evaluation of the money advice outreach pilots focuses on:

- The target population;
- Those delivering the intervention (debt advisers);
- Those responsible for strategic implementation (outreach project coordinators/managers);20
- Secondary or ‘wider’ groups (personnel in outreach locations where money outreach advice is taking place).

Given these multiple perspectives and the fact that the perceptions, experiences and impact of the money advice outreach pilots will be different at different times and for different groups, a multi-phased evaluation is being conducted. Each phase focuses on a different aspect of the money advice outreach pilots. This report presents the first phase of the evaluation project, the ‘survey’. The survey focuses on the target population of the money advice outreach pilots.

The second phase of the evaluation project was commissioned in October 2006.21 This evaluation is a process, effectiveness and early impact evaluation of the money advice outreach pilots, focusing on the provider perspective. It will concentrate on the key processes, issues and problems that the pilot organisations faced during the set-up, first few months and subsequent running and delivery of the projects. This will include a detailed assessment of the effectiveness of the projects in developing new provision and partnerships, and providers’ views on how/whether the pilots have met the needs of the beneficiaries they are working with. The research includes a telephone survey with a key representative from all 22 money advice outreach pilots; a small number of interviews with key stakeholders; detailed case studies of eight projects, including interviews with pilot project coordinators, debt advisers and location partners; a dissemination workshop; and a follow-up phase.

The third phase of the evaluation project will start in summer 2007 and will be an impact evaluation focusing on the target groups of the policy intervention. This evaluation phase is likely to be either fully or mainly qualitative.

20 Key stakeholders (e.g. LSC, Financial Inclusion Taskforce, HM Treasury) are also being interviewed.
21 ECOTEC Research and Consulting and the Personal Finance Research Centre at the University of Bristol were appointed after a competitive tender exercise to conduct this work.
1.6 Evaluation Phase 1: The Survey

Evaluation Phase 1, a survey in five different outreach location types, took place at an early stage. The aim was to assess the suitability of a number of different outreach location types for the delivery of money advice to ‘hard-to-reach’ and disadvantaged groups. This included assessing whether the target groups of the money advice outreach pilots were indeed using the outreach locations surveyed. The purpose of the survey was also to determine attitudes and preferences towards money advice outreach.

A face-to-face survey of people using different types of outreach locations that were included in the pilots was undertaken for this phase. Whilst many of the money advice outreach pilots were not ‘up and running’ at the time of the survey interview, organisations had already been appointed to conduct the pilots. It was therefore possible to choose outreach locations where pilots were either up and running or due to start soon.

It was felt that a survey would be able to provide information on a range of measures of interest to both the overall evaluation and the development of the money advice outreach pilots at a relatively early stage. The aim was to analyse, write up the findings and disseminate them before March 2008 (when the pilots are due to end). In this way, members of the Financial Inclusion Taskforce, policy makers at the LSC and DCA, the DTI/LSC joint project board\(^\text{22}\) and, importantly, pilot organisations and debt advisers would be able to draw on the findings within the first year of the money advice outreach pilots going ‘live’.

The survey was conducted in family and children centres,\(^\text{23}\) credit unions, housing offices,\(^\text{24}\) community centres and prisons. These are the most common outreach locations in which the money advice outreach pilots are taking place. Survey questions were designed to ascertain to what extent users of these five pilot outreach location types were within the target groups of the pilots. The survey therefore explored the characteristics, views and experiences of all users of the locations selected for the survey.

Survey questions covered financial exclusion, use of financial services and money management among interviewees, as well as the experience of money/debt related problems. In order to ascertain the extent to which outreach location users were familiar with mainstream advice services, survey questions explored awareness, usage and attitudes vis-à-vis existing advice services. One survey section dealt specifically with attitudes towards money outreach services to gauge preferences and potential usage patterns. Demographic questions were also included in the survey.

The questionnaire consisted of mainly closed questions. There were a small number of open-ended questions for issues where it was pertinent to obtain interviewees’ attitudes in a more qualitative manner. The questionnaire took around 15 to 20 minutes.

\(^{22}\) A project board, chaired jointly by the LSC and DTI, was set up for the LSC’s money advice outreach pilots and the DTI’s project on increasing the provision of face-to-face debt advice – both funded by the Financial Inclusion Fund.

\(^{23}\) Family and children centres included the following: Sure Start centres; early years and family resource centres; early start centres and family projects.

\(^{24}\) These included both housing offices and housing trusts.
In addition to the survey, the LSRC was keen to contextualise the survey results. This was done in two ways. Quantitative and qualitative feedback information was collected systematically from interviewers conducting the survey. The LSRC was also keen to draw out implications arising out of the research process in general. The aim of both these exercises was to draw out lessons from experience, of potential value to both the development of the money advice outreach pilots as well as the next evaluation phases.

The LSRC conducted a competitive tender exercise for the survey work. This resulted in BMRB Social Research being appointed in December 2005 to conduct the fieldwork and work jointly with the LSRC on the questionnaire and methodology.

The main stage of the fieldwork started in March 2006 and covered family and children centres, housing offices, credit unions and community centres. The prisoner survey required some adjustments to be made to the questionnaire. Fieldwork therefore started in April 2006.

The LSRC conducted the data analysis and interpretation for this project.

1.7 Overview of Report

The remainder of the report focuses on the survey.

Chapter 2 provides a methodological overview.

Chapter 3 discusses the concept of financial exclusion and how it was used for survey analysis purposes.

Chapter 4 is the first results chapter and includes findings on the socio-demographics of outreach location users and purposes of visits.

Chapter 5 shows to what extent financially excluded groups are among outreach location users surveyed. Particular attention is paid here to the ‘fuzzy’ boundary between financial exclusion and financial inclusion.

Chapter 6 highlights to what extent outreach location users report experiencing money and debt issues.

Chapter 7 presents findings on awareness, use and attitudes towards existing mainstream advice services. This shows that a number of interviewees are indeed ‘hard-to-reach’ and could benefit from outreach advice.

Chapter 8 provides results on attitudes to, use of and propensity to use money advice outreach services.

Moving on from survey results, Chapter 9 discusses the findings of the interviewer feedback exercise. Lessons of experience are also drawn out from the survey research process in general.

Finally, Chapter 10 presents key conclusions and implications of this first phase of the overall evaluation.

A complete list of references is provided at the end of this report.
2. Methodology

2.1 Overview

This chapter provides a summary of the project's research methodology. The sample design of the survey, the questionnaire, piloting, fieldwork details and interview numbers are covered. Information is also provided on two supplementary research exercises: feedback and observations from interviewers, and observations of and conclusions drawn from the survey process in general. This chapter is based on a technical report provided to the LSRC by BMRB Social Research.

2.2 Sample Design

Sampling frame

The sampling for the main stage of fieldwork aimed to select randomly a sample of individual location sites where the money advice outreach pilots were being provided, or were about to be provided. It was necessary for BMRB to construct a sampling frame from which a sample of sites could be selected for interview.

The starting point for this exercise was the ‘bid report’ compiled by the LSC. This document listed all the organisations that were due to receive funding from the LSC for money advice outreach services. Listed were contact details for the organisation and a list of the proposed site locations for these money advice outreach services (e.g. a specific credit union or Sure Start centre).

To construct a complete and reliable sampling frame, in some cases BMRB needed to contact provider organisations by email to clarify details in the bid report. The most common clarification required was the number of individual location sites that were being proposed for advice provision. Often the bid report would only list ‘community centre’ or ‘housing office’ when there were often more than one of these types of sites where advice provision was planned.

Stratification and selection

Once a full list of sites was obtained, a sample frame was constructed for the five most common types of location sites (family and children centres, housing offices, credit unions, community centres and prisons). The sample was then stratified within type of site by organisation and then by region. Five individual sites were systematically selected within each type of location site using a random starting point, giving twenty-five sites at which to attempt interviewing. Fifty-six full days of fieldwork were conducted, with a minimum of two days interviewing at each site. The remaining six days were allocated evenly across all site types.

As there were no guarantees that BMRB would be able to interview at each of the 25 sites, a system of substitutes was set up within the sample. The site directly below each selected site on the sampling frame was tagged as a ‘1st reserve’, the site below that ‘2nd reserve’ etc. These reserve sites were required in many cases.
2.3 Questionnaire

Coverage and structure

The questionnaire was drawn up to address the information needs of the survey. It therefore focused on: financial exclusion; the incidence of money and debt problems; awareness, usage and attitudes vis-à-vis existing mainstream advice services; and attitudes towards money advice outreach services.

Some questions were drawn from other surveys looking at financial matters, in particular the Financial Capability Survey, carried out for the Financial Services Authority, and a recent survey carried out by BMRB Social Research for the Financial Inclusion Taskforce. The LSRC also drew on questions from its English and Welsh Civil and Social Justice Survey. An initial questionnaire was drafted for the pilot stage, after which it was developed based on feedback from researchers, interviewers and interviewees.

There were two versions of the questionnaire, one for prisons and one for non-prison outreach location sites. While the two versions were different, there were many questions that were common to both. Both versions of the questionnaire were structured in six sections, as follows:

A. Introductory questions
B. Financial exclusion, use of financial services and money management
C. Experience and extent of money/debt-related problems
D. Awareness, usage and attitudes vis-à-vis existing advice services
E. Attitudes towards money advice outreach services
F. Demographics

An overview of the content of each of these sections follows below.

A. Introductory questions:
This section largely acted as a ‘warm up’ to ease interviewees into the interview, as well as providing useful background material. Non-prison interviewees (in family and children centres, housing offices, credit unions, community centres) were asked whether they had visited the location before, how easy it was for them to get there, purpose of visit etc. The section also asked about the perceived proximity of a range of advice services to interviewees’ homes. In the prison questionnaire the first section collected background details about prisoners: the length of their sentence, when they were due to be released and whether they had been to prison before. It also included questions about the perceived provision of advice services in the prison and prisoners’ experience of using them.

B. Financial Exclusion, use of financial services and money management:
The second section was largely the same in both versions of the questionnaire. It started by asking questions about interviewees’ use of and access to financial services (for example, what accounts and loans they had) and went on to ask about their money management (for example, whether they were ever overdrawn).

Prisoners were asked to think back to their situation before going to prison for some of these questions.

**C. Experience, extent and impact of money/debt-related problems:**
Section C of the questionnaire shifted the focus to money problems interviewees may have experienced. All interviewees were asked whether they had been in serious financial difficulties in the past three years, and also how they were keeping up with bills and credit commitments. For those who were falling behind with their payments, or who were having real financial problems, they were asked which types of payment this related to. Prisoners were then asked whether their problems had got better or worse since going to prison, and there were a series of follow-up questions on this. Non-prison interviewees were asked who, if anyone, they were seeking advice from in relation to their financial problems. Prisoners were asked whether their partner or family was seeking advice about their problems from somewhere other than the prison. The final questions in section C were the same in both questionnaires. Interviewees were asked how much time they had spent worrying about their money problems, how severe the impact of the problems has been on their life, and whether they could see a time in the future when they would not have these problems.

**D. Awareness, usage and attitudes vis-à-vis existing advice services:**
Section D of the prison questionnaire asked prisoners whether they were receiving any advice or help with managing their money whilst in prison and, if so, who this advice was from. Following on from this, they were asked whether they received any advice or help with managing their money before going to prison and again, if so, who this was from. This section of the non-prison questionnaire (and the remaining questions in this section in the prison questionnaire) focused on general advice to do with managing money. All interviewees were asked whether there was any advice or help they felt they needed and, if so, what specifically would be useful. Interviewees were asked whether they would seek professional advice about money problems if they experienced them in the future (for prisoners this related to after they had left prison). For those who said ‘yes’ they were asked who they would go to for advice; for those who said ‘no’ they were asked the reason for this.

**E. Attitudes towards Money Advice Outreach:**
Section E was the same for both versions of the questionnaire and focused on money advice outreach services. There were two sets of questions in section E: one for those in locations where the money advice outreach pilots were already up and running, and one for those in locations where they were yet to be set up. For those in places where the pilot had been set up, interviewees were asked whether they had used the new service, and if so, how useful they found it. Where the pilot had not been set up, interviewees were asked how likely they would be to use the service if they experienced problems in the future (or were currently having problems but had not sought advice yet), and what they would want from the new outreach service. The final question in section E asked all interviewees where else they would prefer to use money advice outreach services.

**F. Demographics:**
The last section of the questionnaire collected demographic information, including: age, marital status, dependent children, current employment activity, qualifications, tenure, income and ethnicity.
2.4 Piloting

A small-scale research pilot was carried out prior to main stage fieldwork. Rather than a conventional pilot survey, where interviewers are briefed, carry out their interviews and then report back to the research team, the piloting involved the BMRB research team and the LSRC more intensively.

Interviewers fulfilled their conventional role, carrying out the interview and entering responses onto the paper questionnaire while in most cases a BMRB or LSRC researcher observed the interview at first hand. In this way the observer was able to identify and note areas of doubt, misunderstanding or incomprehension on the part of the interviewee. These were then followed up either at the end of the interview or immediately following questions or sections of particular interest.

The pilot stage involved visits to one of each of the types of location that would be visited at the main stage (excluding prisons). Interviewing was carried out by four experienced interviewers from The Operations Centre fieldforce, which provides the fieldwork capacity for the Kantar Group of research companies to which BMRB belongs. Interviewers were briefed by researchers on the telephone before starting their assignments.

Piloting ran from 22nd February to 6th March 2006, with BMRB/LSRC researchers accompanying interviewers to a family and children centre, housing office, credit union and community centre. A day was spent at each of the sites. In total 29 interviews were achieved at the pilot stage.

The pilot tested the interview length and found that, rather than taking the intended 10 minutes, interviews generally lasted around 15-20 minutes. Following the pilot it was decided to keep this length of interview and revise the main stage target to 672 interviews,27 at a rate of 12 interviews per day at each site. It was felt that the more complete information achieved through longer interviews would be preferable to less complete information that would follow from a higher number of shorter interviews.

Despite the longer than anticipated questionnaire length, interviewees did not feel it was an overly long interview and, once started, they all completed the interview. Interviewees also made positive comments about the flow of the questionnaire and, on the whole, enjoyed the experience of being interviewed.

As well as providing a valuable test of the flow and length of the questionnaire, the pilot also allowed recruitment and fieldwork processes to be tested ahead of the main stage.

Following the pilot, BMRB submitted a pilot report to the LSRC. This report, and discussions that followed, formed the basis of adjustments and changes to the questionnaire and other aspects of the project ahead of main stage fieldwork. For example, the pilot indicated that the ‘flow’ of people visiting the locations could be sporadic and that it was not always easy to approach visitors for interviews when they arrived in groups for classes. It was therefore decided to supplement the survey with interviewer feedback on these and other issues (see section 2.7).

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27 Originally, the target number of interviews was around 1,000.
2.5 Fieldwork

Fieldwork for the main stage of the survey was carried out by interviewers from The Operations Centre fieldforce using Pen and Paper Interviewing (PAPI) between 21st March and 17th June 2006.

Set up of visits

Once location sites were selected for the main fieldwork stage, BMRB researchers began the process of arranging dates for interviewers to visit them. This process involved going through a line of contacts, starting at organisation level (for example, a Citizens Advice Bureau that had been awarded a contract under the money advice outreach pilot) and moving on to people working at the locations that interviewers would visit (e.g. a community centre).

Communication began with a formal email to the organisation contact whose details had been provided by the LSC. This email was used to introduce the survey and its aims, explain what was involved, how organisations could help to achieve the research aims and the more practical issues associated with fieldwork. Contacts were advised that BMRB would call them in the next few days to discuss things in more detail.

Subsequent phone calls to organisations were used to give out more information about the research and discuss the feasibility of carrying out interviews at selected sites. There were occasions where it emerged that selected sites were not appropriate to visit and in these cases BMRB were offered alternative sites that would be more suitable. Once location sites were agreed, BMRB researchers were passed the contact details of people at individual site level with whom they could firm up the details of visits.

These location site level contacts were then either contacted by phone or email. In most cases they had already been briefed by organisation level contacts so were aware of the broad scope of the research. It was at this stage of contact that dates were agreed when interviewers could visit the selected centres.

Practicalities of visits

All interviewers working on the survey were sent instructions giving some background to the research and details of the practicalities involved. This information included: background information about the money advice outreach pilots; details of the different location types being visited, and the specific issues involved with each; information on who to interview, how to recruit people and where interviews could be carried out; an introduction to the questionnaire, including detailed explanation of certain key questions and topics covered.

A confirmation letter was sent to locations a few days in advance of interviewing. The letter was used to confirm details of the visit, the name and telephone number of the interviewer who would be attending, and the contact number of a researcher to call, should any problems arise. The letter also thanked locations for agreeing to take part in the research. In addition, a poster was sent to all of the non-prison locations due to be visited. The poster was introduced at the pilot stage after being requested by one of the location contacts. It aimed to give people visiting the locations information about the survey background and nature of the interview. Finally, a leaflet was sent
to one of the prisons after being requested by staff at the prison. The leaflet was handed out to prisoners prior to BMRB’s visit.

At the majority of outreach locations, interviewers were responsible for recruiting interviewees themselves. Most commonly they would wait in a reception area or hallway and ask people as they were on their way out of the outreach location whether they could spare fifteen minutes to take part in an interview. In other cases (and especially in community centres) interviewers tried to recruit people as they were leaving classes, and occasionally even entered the class (with permission) to see if anyone would be interested in taking part in an interview on their way out.

There were occasions when outreach location staff volunteered to refer visitors onto the interviewer – for example, after people had been in for a meeting or an appointment. While this was a successful way of recruiting people, it was only used in a few locations and it was much more common for interviewers to do the recruiting themselves.

Recruiting was carried out differently at prisons, where interviewees were pre-selected by prison staff. Due to the nature of the questions being asked, it made sense to interview prisoners who either had not been in prison long, or were soon due for release. Therefore it was decided that the target interview group would be: a) prisoners who had just been convicted, b) those with short-term sentences (six months or less), and c) those on pre-release programmes. Prison staff ensured that prisoners in these groups were available to be interviewed and had everything in place for interviewers when they arrived. All prison interviews were conducted in a private room with a member of the prison staff just outside the room.

2.6 Interview Numbers

Between 21st March and 17th June 2006, a total of 534 interviews were achieved across all outreach location sites. Pilot interviews were added to the final data, giving a total of 563 questionnaires completed.

A total of 56 interviewer days were spent at main stage sites, made up of 40 full days and 32 half days. The total target figure was 672, which assumed a strike rate of 12 interviews per day (and six per half day). In the event, the strike rate was lower at 9.5, yielding a total of 534 interviews, as detailed in Table 2.1. There was some variation in the number of interviews and strike rates achieved by types of outreach location.
Table 2.1  Number of interview days, number of interviews and daily rate by outreach location type (excluding pilot interviews)

<table>
<thead>
<tr>
<th></th>
<th>Number of days</th>
<th>Number of interviews</th>
<th>Daily rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family and Children Centre</td>
<td>10.5</td>
<td>72</td>
<td>6.9</td>
</tr>
<tr>
<td>Housing Office</td>
<td>12</td>
<td>118</td>
<td>9.8</td>
</tr>
<tr>
<td>Credit Union</td>
<td>11</td>
<td>106</td>
<td>9.6</td>
</tr>
<tr>
<td>Community Centre</td>
<td>11</td>
<td>105</td>
<td>9.5</td>
</tr>
<tr>
<td>Prison</td>
<td>11.5</td>
<td>133</td>
<td>11.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56</strong></td>
<td><strong>534</strong></td>
<td><strong>9.5</strong></td>
</tr>
</tbody>
</table>

As Table 2.1 shows, the best daily strike rate was achieved in prisons. This was largely due to the fact that prison staff pre-recruited suitable prisoners for the survey so that everything was prepared for interviewers when they arrived. Hours of interviewing at prisons (usually 9:30-11:30am and 1:30-4pm) were also arranged to ensure that prisoners would not have other things to do when the time came to be interviewed. Finally, the obvious limitations on prisoners’ lives meant that they were less likely to refuse due to having no time to be interviewed (which was a common reason for refusal at the other outreach location types).

Housing offices, credit unions and community centres all achieved similar strike rates, roughly in line with the overall rate.

Family and children centres stand out as having achieved the lowest daily rate, by some distance. In particular, they were often less busy than the other outreach location types and on occasions interviewers did not feel that they were appropriate places to carry out interviews (e.g. due to people visiting to discuss sensitive family issues). Family and children centres were also the most challenging location type to get on board for the fieldwork. This meant that days often had to be agreed at short notice and at locations that were perhaps not always the most appropriate places to carry out the survey. Further discussion of the low strike rate in family and children centres are presented in Chapter 9.

In non-prison outreach locations (family and children centres, housing offices, credit unions, community centres), 131 people were interviewed in a location where a money advice outreach pilot was up and running at the time of interview. This represents 31 per cent of interviewees in non-prison outreach locations. A very small number of prison interviewees (equivalent to 3 per cent of all prison interviewees) were at a prison in which a money advice outreach pilot was up and running.

It should be noted that ‘up and running’ in this context refers to a very early stage of set up. The money advice outreach pilots in question are unlikely to have ‘bedded in’ at the time of the survey interview.
2.7 Additional Research

The pilot indicated that it would be useful to supplement the survey with additional information on the outreach locations surveyed. An interviewer feedback form was therefore designed to provide details on the experiences of interviewers at each location.

It was felt that these details could explain some of the survey findings and some of the issues encountered in collecting the survey data. Importantly, it was also felt that the results of the feedback forms might provide information useful to the money advice outreach pilot organisations. For example, findings on the traffic at outreach locations provide indications of how the money advice outreach pilots could be best targeted. The feedback results regarding different location types also highlight how money advice outreach pilots need to take into account the different needs, priorities and characteristics of those visiting different types of locations.

All interviewers working on the non-prison survey were sent feedback forms for each of their visits. The feedback form asked interviewers to record various details about their visits:

- estimated number of adults who visited the centre whilst the interviewer was there;
- number of people asked to do an interview, number of refusals and total number of interviews achieved;
- whether the interviewer was able to approach ‘all’, ‘most’, ‘around half’, ‘less than half’ or ‘hardly any’ of all the adults who visited the centre;
- whether people left ‘individually’, ‘in groups’, ‘both’ or whether it was ‘difficult to say’;
- whether the flow of people visiting the location was ‘sporadic’, ‘steady throughout the time’, ‘concentrated around certain times’, ‘difficult to say’.

The feedback form also included two open questions:

- whether there were any common reasons why people did not want to do an interview;
- whether interviewers had any other comments about their experiences and observations interviewing at the outreach location (e.g. reaction to the survey, nature of location, timing issues).

In total, feedback forms were completed by interviewers at 18 of the 22 different outreach locations visited (excluding prisons). Where locations were visited on more than one day, interviewers sometimes completed feedback forms for both/all days. In total, 36 feedback forms were completed by interviewers.

In addition to interviewer feedback, the LSRC decided that observations and experiences whilst conducting the survey should be made explicit in this report. It was felt that this would provide valuable information and could contain lessons from experience for the money advice outreach pilot organisations and debt advisers as well as subsequent evaluation phases. BMRB and LSRC therefore drew out key issues to consider.

Results of interviewer feedback and general observations of the survey process are discussed in Chapter 9.
3. Financial Exclusion: Background, Concepts and Definitions

3.1 Overview

In this chapter various definitions and socio-demographic indicators regarding financial exclusion are examined. Some of the analysis in subsequent chapters draws on this discussion.

Much has been published on the subject of financial exclusion in recent years and this chapter does not constitute a comprehensive literature review of this material. It does, however, present some of the key definitional challenges facing those who conduct research and policy in this area.

3.2 Financial Exclusion

Background and definitions

Financial exclusion and social exclusion are often viewed as highly linked concepts. It is therefore useful, before considering financial exclusion, to briefly review the concept of social exclusion to provide context.

Both social exclusion and financial exclusion have been prominent issues in UK policy and research since the advent of the current Labour Government. The (now defunct) Social Exclusion Unit (SEU) was set up in 1997 to deal with social exclusion. Its Policy Action Team 14 (PAT 14) was dedicated specifically to dealing with the issue of financial services and the socially and financially excluded. The new Social Exclusion Task Force, situated in the Cabinet Office, is now coordinating the Government’s efforts against social exclusion.

Social exclusion is not, however, an easy term to define. It has been variously described as the ‘inability to participate effectively in economic, social, political and cultural life’;\(^28\) ‘the dynamic process of being shut out ... from any of the social, economic, political and cultural systems which determine the social integration of a person in society’;\(^29\) and ‘a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime, bad health and family breakdown’.\(^30\)

The role of civil justice problems, such as debt, as a cause and consequence of social exclusion is now well recognised among research and policy communities.\(^31\)

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\(^30\) Social Exclusion Unit. (2001) above, n. 6, p. 10.

Despite being a contested concept, there is broad agreement that social exclusion encompasses a combination of linked problems.\textsuperscript{32} Financial exclusion, in other words exclusion from mainstream financial services and systems, has been identified as one of those problems.\textsuperscript{33} As Kempson et al. state in their report \textit{In or Out?}, ‘people who lack access to financial services are also frequently excluded in other ways, and financial exclusion often reinforces other aspects of social exclusion’.\textsuperscript{34}

Statistics show that the gap between the financially included majority – broadly deemed to be those with access to an ever increasing range of financial products and services provided by mainstream organisations such as banks and building societies, and the financially excluded minority, those without access to these products and services – has increased tremendously over the last thirty years. Kempson and Whyley found that, whilst in 1975 only 45 per cent of adults had a current account, by 1998 between 80 and 85 per cent had one.\textsuperscript{35} Although there are indications that the percentage of people in Britain without any kind of account has started to fall since the introduction of policies focused on reducing financial exclusion, the 2002-2003 Family Resources Survey (FRS) found that 1.9 million households (8 per cent) in Britain lacked access to any kind of bank account. This equates to an estimated 2.8 million adults. A further 1.1 million households managed with only a savings account. Together, these figures take the total population without a current account to 3 million households (12 per cent).\textsuperscript{36}

For the minority who do not have a current account, the impact of this type of exclusion can be great. Relatively simple procedures such as cashing cheques and paying bills become difficult and costly; many services such as low-cost loans and contract mobile phones are unavailable; and financial exclusion can even form a barrier to employment.\textsuperscript{37} In recognition of the problems faced by those experiencing financial exclusion, and the wider impact on families and society, HM Treasury published \textit{Promoting Financial Inclusion} in 2004. As set out in Chapter 1, a Financial Inclusion Fund was also established in 2004, and a Financial Inclusion Taskforce was formally launched in early 2005 to make recommendations and monitor the Government’s progress towards objectives in this area.

However, despite this recent policy focus on financial exclusion, there is still no universally accepted definition or set of criteria by which a person or community can be judged as financially excluded. Kempson et al. acknowledge the problem posed by the lack of an obvious and universal definition for developing comparable research in this area. They argue that the increasing complexity of financial products and blurring of traditional distinctions between current and deposit accounts has meant that ‘attempts to measure the level of account holding by type of account result in rather different statistics’.\textsuperscript{38} They also note that the situation is further complicated by the fact that some studies have measured account holding by individuals, and other studies by households. Indeed, whether financial exclusion is analysed at household or individual level has largely been driven by the data that is available. The Financial

\begin{flushleft}
\textsuperscript{33} See e.g. Social Exclusion Unit. (1998) \textit{Bringing Britain Together – A Strategy for Neighbourhood Renewal}, London: SEU.
\textsuperscript{37} Ibid.
\end{flushleft}
Inclusion Taskforce has defined banking access at the individual level: they are looking for a reduction in the ‘number of adults’ in households without a bank account.

Many reports on financial exclusion focus on the various causes and consequences of lack of access to financial services, rather than posit their own precise definition of the term. Kempson et al. discuss geographical access and the problems that can be caused by physical inability to get to a bank or building society, which is a particular problem in deprived and rural areas. Kempson and Whyley also talk about the significant impact of other types of problem that ‘constitute a complex set of barriers to accessing and using mainstream financial services for many people with limited incomes’. They cite price exclusion, marketing exclusion and self-exclusion among others as some of the overlapping and mutually reinforcing barriers.

Markers of financial inclusion/exclusion used in previous studies include, in various combinations, the possession (or otherwise) of: current accounts; bank or building society accounts of any kind; savings and investment products; occupational or private pensions; home contents insurance; life insurance cover; and credit from a mainstream provider. HM Treasury’s Promoting Financial Inclusion report, whilst acknowledging that financial exclusion can be both a broad and narrow concept depending on context, builds on this list by defining six key components of financial exclusion. These components were derived from suggestions made in the SEU’s PAT 14 1999 report. A diagram from HM Treasury’s report depicting the six components is recreated in Figure 3.1 below.

![Six Key Components of Financial Exclusion](image)

**Figure 3.1 Six Key Components of Financial Exclusion (HM Treasury)**

These six components, one of which – access to money advice – is at the centre of this report, provide a useful basis for a definition of financial exclusion for data analysis purposes. The Treasury does not, however, specify how many of the components apply to a person or community in order for them to be classified as

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financially excluded; whether they represent strict criteria or more flexible indicators of financial exclusion; or whether some of the components are deemed more significant than others in indicating financial exclusion.

BMRB Social Research use three different terms to refer to financial exclusion in a recent research report prepared for the Financial Inclusion Taskforce.\(^\text{44}\) Two groups of interest are identified in their research: the ‘unbanked’ (a relatively widely used definition referring to those without any form of transactional bank account) and the ‘underbanked’ (those who have a bank account but do not use it regularly to manage their money). For the purposes of BMRB’s research, these two groups in combination were defined and referred to using the term ‘marginally banked’.

Lastly, the Kempson et al. assert that ‘there is … evidence of a hierarchy. People who have only one or two products are most likely to have a current account or savings account with a bank or building society. At the other extreme, insurance provision for ill health or loss of income is very rare among those who are most excluded, as are most investment products’.\(^\text{45}\) This notion of a structured hierarchy, used in conjunction with the key components outlined by HM Treasury, provided a starting point for the definition of financial exclusion used in this report for data analysis purposes, as set out below in section 3.3.

### Socio-demographic indicators

Various socio-demographic characteristics, including the geographic location of individuals, have been linked to financial exclusion. These indicators are usually associated with deprivation, and most have also been linked to social exclusion.

Although exhibiting one or more of these characteristics does not automatically mean that an individual is financially excluded, it does indicate a vulnerability to financial exclusion. These indicators therefore help to highlight the complex way in which deprivation, financial exclusion and social exclusion are linked and mutually reinforcing. Information about these indicators has been important in enabling Government policy and other initiatives to target the most ‘at-risk’ groups.\(^\text{46}\)

The following is not an exhaustive list of indicators of financial exclusion. However, it covers the majority of those that have been highlighted by recent research.\(^\text{47}\) Unless otherwise stated, the figures given refer to the prevalence of the relevant socio-demographic indicator among unbanked households as reported by HM Treasury and taken from the 2002-2003 Family Resources Survey (FRS).\(^\text{48}\) The prevalence of the following indicators have invariably been found to be higher among unbanked groups than among the general population.

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\(^{46}\) The Joseph Rowntree Foundation has recently commissioned a review of current financial inclusion initiatives in the UK for ‘vulnerable groups’ and assessment of those at risk of remaining excluded in the future.

\(^{47}\) Other factors, such as being female, have been mentioned in recent literature. However, in the case of this socio-demographic, associated personal circumstances and lower incomes were deemed to have more impact on financial situations than gender alone (Kempson, E., Whyley, C., Caskey, J., and Collard, S. (2000) above, n. 2).

\(^{48}\) HM Treasury. (2004) above, n. 3.
• Income: those with consistently low incomes do not constitute an appealing market for financial service providers,\(^{49}\) and 65 per cent of unbanked households have an annual household income of just under £14,500. Problems around debt, financial exclusion and social exclusion are intimately connected to the difficulties of living on a low income in the UK.

• Limited qualifications and educational attainment: low income is often linked to, and caused by, limited qualifications and educational attainment. Research commissioned by the Joseph Rowntree Foundation has shown that half of all adults in their late 20s with no qualifications earn less than £200 per week, compared with one in six of those with the equivalent of five GCSE passes or better.\(^{50}\) Therefore, it would be expected that the financially excluded hold, on average, fewer qualifications than the general population.

• Benefits: of unbanked households, 64 per cent receive council tax benefit, 62 per cent housing benefit, 48 per cent Income Support or the Minimum Income Guarantee, and 8 per cent Jobseeker’s Allowance. These figures are substantially higher compared with benefits receipt among the general population.\(^{51}\)

• Social housing: 60 per cent of people in unbanked households live in accommodation rented from a local council, housing association or registered social landlord.\(^{52}\)

• Single parent household: one fifth (19 per cent) of unbanked households are lone parent households. This is roughly double the proportion in the population as a whole.

• Unemployed: over 40 per cent of heads of unbanked households are of working age but not available for work (mostly due to childcare responsibilities). The longer a head of a household has been unemployed, the more likely their household is to be financially excluded.\(^{53}\)

• Limiting long-term illness or disability: one of the more common reasons for people of working age being unemployed and not available for work is that a long-term illness or disability restricts their ability to work. The financially excluded exhibit a higher incidence of limiting long-term illness or disability than the financially included.\(^{54}\)

• Ethnicity: Black, Pakistani and Bangladeshi communities have been shown to experience significantly higher levels of financial exclusion than the general population. Statistical modelling ‘shows that low income is the main explanation for Black’s being at, or on the margins of, financial exclusion. The picture for Pakistanis and Bangladeshis, however, is more complex. Here language, culture and religion all have an important part to play’.\(^{55}\)

\(^{51}\) For recent national figures on benefits receipt see the Department for Work and Pension’s (DWP) quarterly Statistical Summaries. Available at http://www.dwp.gov.uk/asd/statistical_summaries.asp.
\(^{52}\) Around 44% rent from a local authority, and a further 15% from a housing association.
\(^{55}\) Ibid, p. 22.
• Age: Almost 30 per cent of heads of unbanked households are retired. According to Kempson et al., those under 20 and over 80 have been found to have fairly low levels of engagement with financial services. However, there is much less of a relationship between age and financial exclusion than there is between financial exclusion and the socio-demographics listed here that are associated with deprivation.56

• Geographical dimension: Research has found that geography also affects incidence of financial exclusion, and that these effects cannot be explained by the economic circumstances of their populations alone.57 Incidence of financial exclusion is higher in Scotland and Wales than in England, and within England is highest in Greater London and the North West.58 On a more local level, ‘financial exclusion is concentrated on local authority housing estates, especially those in areas of high financial deprivation’.59 The Department for Environment, Transport and the Regions’ (DETR) Deprivation Index can therefore be used to identify areas that are most likely to contain high proportions of financially excluded inhabitants.

3.3 Financial Exclusion: Definitions Used for Data Analysis

Key criterion

The definitions of financial exclusion presented above are complex and each take into account a variety of different criteria and indicators. It was important not to lose the holistic nature of these definitions from our own term, and to use one that reflected the multi-dimensional nature of financial exclusion. However, for the purposes of clear analysis, it was decided that the starting point of the definition used for survey analysis should be the lack of a current bank or building society account (for ease referred to from now on simply as a current account), either joint or personal, in the interviewee’s own name. According to Toynbee Hall’s Services Against Financial Exclusion (SAFE) ‘account holding is widely recognised as a common indicator of the degree of financial inclusion across a society’.60 Indeed, HM Treasury and the Financial Inclusion Taskforce have used levels of current account holding as a measure of success in tackling financial exclusion.61

As reports by both the Financial Inclusion Taskforce and Toynbee Hall SAFE acknowledge,62 there is an important distinction between those who own a current account and make full use of it and its related facilities, and those who simply use it for receipt of benefits or wages. Recent figures show that over 75 per cent of benefit recipients are now paid electronically into bank accounts (including ‘basic’ accounts – see below) and Post Office Card Accounts (POCAs).63 However, if these recipients

59 Ibid, p. 21. This again highlights the issue of social housing as an indicating factor for financial exclusion.
61 Although, unlike us, the Financial Inclusion Taskforce also include in its ‘banked’ category those in possession of a savings account only.
withdraw all their benefits as soon as they are deposited, rather than using their account to help manage their budget, then they are still part of a cash economy. Therefore, in this report interviewees are defined as financially included if they report holding a current account and using it for day-to-day money management. Interviewees are defined as financially excluded if they report either not possessing such a current account, or possessing one but not using it for day-to-day money management.

We include ‘basic’ bank or building society accounts in our definition of current accounts. However, a categorical distinction is made between owners of the two types of account in our hierarchy of financial exclusion (see Table 3.1 below). This relatively new type of financial product was recommended by the SEU’s PAT 14 and HM Treasury as a means of tackling financial exclusion and reducing the number of ‘unbanked’ people in the UK. Put simply, basic accounts are current accounts with limited facilities (usually no significant overdraft or credit facilities) specifically designed for those with no prior experience of electronic banking. The exact nature of the facilities on offer varies from bank to bank. However, as a rule, if a current account offers a chequebook facility then it cannot be classed as ‘basic’. This therefore is the criteria we used to distinguish between those interviewees holding basic current accounts and those holding current accounts that offer a full range of facilities.

No type of account available from organisations other than banks or building societies (such as the post office or credit unions), and no savings accounts, offered the same facilities for day-to-day money management at the time of the money advice outreach survey as bank or building society current accounts. It was therefore decided to classify interviewees with such financial products but no current account (or a current account that they do not use for day-to-day money management) as financially excluded. We did however make the categorical distinction between those interviewees who possessed no financial products at all, and those who possessed ‘other’ financial products, but no current account (again, see Table 4.1 below for a full description of our financial exclusion continuum).

With reference to this continuum of exclusion, in Chapter 5 we divide our two basic groups of ‘financially excluded’ and ‘financially included’ into five groups.

The financially excluded category was divided into three groupings:

1) Interviewees with no financial products at all. This constitutes the most severely financially excluded group, and can be described as ‘the sharp end of financial exclusion’.

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64 Ibid.
65 HM Treasury (1999), above, n. 42.
66 Toynbee Hall SAFE (2005), above, n. 60, p. 34.
67 Taken from email guidance sent from the Treasury to the LSRC.
68 When talking about financial services available from a post office, we refer to products such as the Post Office Card Account (POCA), rather than basic bank or building society current accounts that are accessible at a post office.
69 Transaction accounts comparable to bank or building society current accounts in terms of facilities offered have been introduced in a limited number of credit unions since the survey was conducted (ABCU. (2006) Credit Union News, Vol. 8, No. 2).
70 Analysis in subsequent chapters was done employing just our two broad categories.
71 By ‘interviewees with no financial products’ we refer to those interviewees who reported that they did not own any products from the following list:
A. Current account with a bank or building society for personal use (i.e. excluding business accounts);
B. Post Office Card Account (for receiving benefit, state pensions and tax credit payments);
2) Interviewees with some financial products (for example a credit union or post office account) but no current account.\textsuperscript{73}

3) Interviewees with current accounts, either basic or ‘full’, who do not use them for day-to-day money management.

Within the first two financially excluded groups, we also explore current account holding by interviewees’ partners.

The financially included category was divided into two groupings:

1) Interviewees with basic current accounts – i.e. those with no chequebook – which they use for day-to-day money management.

2) Interviewees with ‘full’ current accounts, which they use for day-to-day money management.

All five groups described above, along with indicators of financial exclusion, are presented in Table 3.1 below.
Table 3.1 Financial Exclusion Continuum Used by the LSRC

<table>
<thead>
<tr>
<th>Most Excluded</th>
<th>Banking Access</th>
</tr>
</thead>
</table>
| Financially Excluded Group 1 | (i) No current account, no other financial products, no partner with current account  
(ii) No current account, no other financial products, partner with current account |
| Financially Excluded Group 2 | (i) No current account but other financial products, no partner with current account  
(ii) No current account but other financial products, partner with current account |
| Financially Excluded Group 3 | (i) Current account (either basic or ‘full’) but do not use this account for day-to-day money management |
| Socio-Demographic Indicators of Financial Exclusion | Unemployment; income of less than £10,000; single parent household; benefits receipt\(^74\); social housing; long-term illness/disability; limited qualifications or education; ethnicity; geography. |
| Financially Included Group 1 | (i) Basic current account used for day-to-day money management |
| Financially Included Group 2 | (i) Current account (providing full range of banking facilities) used for day-to-day money management |

Not Excluded

It is important to note that bank account ownership, along with possession of other financial products, is seldom a constant in people’s lives. Although some interviewees in our financially excluded groups will never have owned an account, the reality of banking is that people open and close accounts on a regular basis. Therefore, although this report helps to illuminate the general experiences and views of the financially excluded and those on the margins of financial exclusion, with regards to individual interviewees it represents only a snapshot of their financial

\(^{74}\) Interviewees were not asked about a comprehensive list of benefits. They were, however, asked about the receipt of housing benefit, which acted as a proxy in our analysis. Housing benefit was chosen as it is one of the most widely received forms of benefits payment among households with no bank account, with 62% of such households being in receipt of it (HM Treasury. (2004) above, n. 3). Also, among prisoners, the receipt of housing benefit whilst in prison can be a cause of financial problems (see later chapters).
situation at the time of the survey. As HM Treasury states ‘use or non-use of financial services is not static. For many people, decisions whether to have a bank account or use other services change through time, mainly in response to movement in and out of employment’.75

**Socio-demographic indicators**

As shown in Table 3.1, it was decided to explore the incidence of a number of indicators of financial exclusion among interviewees in order to build up a more holistic picture of the type of people that visit the outreach locations, and their vulnerability to financial exclusion. All the indicators previously discussed in this chapter were included, with the exception of age, which was deemed not as important as the others for reasons mentioned above.76

The indicators included:

- Being unemployed;
- Earning a household annual income of less than £10,000 (although HM Treasury’s annual income indicator figure was higher, at £14,500, bearing in mind the finding that more than half of all households with serious debt have incomes of less than £7,500 a year,77 it was decided to use a figure between the two);
- Being in a single parent household;
- Being in receipt of housing benefit;
- Living in social housing;
- Having a limiting long-term illness/disability;
- Having limited educational qualifications;
- Being of Bangladeshi, Pakistani or black ethnicity; and
- Living in an ‘at-risk’ geographical region.

### 3.4 Other Definitional Considerations and Analysis

This section considers the issue of interviewee’s access to, and ownership of, financial products and services other than accounts. Specifically, the way in which we analysed use of credit and free face-to-face money advice services among interviewees is discussed.

**Other financial services/products**

Although our definition of financial exclusion is centred around the possession of a current account, financial exclusion is a multi-dimensional phenomenon involving lack of access to a variety of financial services and products. The main components of financial exclusion, as identified by HM Treasury and set out in Figure 3.1 above, are lack of access to: bank accounts; affordable credit; free face-to-face money

76 The LSC also identified a list of indicators in its guidelines for the contracted money advice outreach pilot providers: benefits receipt; lone parent/single-headed household; unemployment; in social housing; homelessness (LSC Contract with money advice outreach pilot providers, clauses B33 and B34).
advice; insurance; savings; and assets. The Government’s 2004 Spending Review\(^{78}\) made the first three of these six components priority areas and committed it to tackling the access issues surrounding the relevant services through a variety of measures. Due to time constraints in what was a relatively short survey interview (15-20 minutes), it was decided to concentrate on these three components.

**Debt and affordable credit**

In many people’s minds, the phrases ‘financial problems’ and ‘over-indebtedness’ go hand-in-hand. Over-indebtedness, described as debt which either cannot be repaid or which causes the debtor severe problems to repay and represents a ‘major burden’,\(^{79}\) is undoubtedly a significant problem in the UK today. The Financial Services Authority (FSA) found that 6.1 million families reported some difficulties meeting their debt repayments,\(^{80}\) and the debts of CABx clients were recently found to be, on average, 17.5 times their monthly household income.\(^{81}\)

Both the propensity to suffer from debt problems and the nature of the problems experienced differs between financially excluded and financially included people. Bank and building society accounts often act as gateways to other financial products such as credit services,\(^{82}\) and the lack of one, along with the lack of a good (or any) credit rating, limits the opportunities that financially excluded people have to borrow money from mainstream organisations. Without access to bank loans or credit cards, which offer reasonable rates and can help people manage their monthly outgoings,\(^{83}\) many people turn to alternative, less well-regulated and sometimes illegal sources of credit. Typically, they charge extortionate interest rates of over 100 per cent, which serve to exacerbate the problems of the (often) already financially excluded people using their services. According to statistics reported by HM Treasury, a £200 loan from a credit company that comes to people’s homes might attract a charge of £94, while a pawnbroker might charge £54, over 30 weeks and 6 months respectively. This equates to annual percentages of 309 per cent and 110 per cent.\(^{84}\) Our outreach survey therefore asked questions about personal loans with companies that came to interviewees’ homes to collect payments and about loans from pawnbrokers.

Also significant when looking at differences in debt between the financially included and financially excluded is that low-income groups are three times more likely than the general population to be in arrears with rent, council tax, utility bills or mortgages.\(^{85}\) The Government’s Over-Indebtedness Action Plan highlights the fact that families with children, particularly lone parent families, and the unemployed\(^{86}\) (both socio-demographic indicators for financial exclusion) are more likely to be in arrears. It was important, therefore, to include questions about running out of money, and being behind on household bills, as well as on the experience of ‘serious financial problems’ and debt in the survey in order to explore the nature of the money problems that interviewees in the outreach locations surveyed faced.

\(^{82}\) Toynbee Hall SAFE. (2005) above, n. 60.
\(^{83}\) Although these mainstream sources of credit can obviously become a cause of over-indebtedness too.
\(^{84}\) HM Treasury. (2004) above, n. 3.
\(^{85}\) SEU. (2004) above, n. 77.
Free face-to-face money advice

Access to and use of money advice by the financially excluded, and those vulnerable to financial exclusion, is at the heart of this report. The Government recognised in 2004 that ‘the supply of free face-to-face money advice falls far short of demand, and vulnerable customers facing debt problems are often unable to access free advice when they need it. Advice is crucial to minimising the consequences of debt to the individual, as well as the creditor, and ‘building a foundation for future financial capability’. It was in light of this recognition – not only of the importance but also the shortage of free face-to-face money advice – that the LSC, along with the DTI, were awarded money from the Financial Inclusion Fund for the provision of money advice.

4. Who uses outreach locations and what for?

4.1 Overview

This chapter describes the socio-demographic characteristics of people interviewed in the five outreach location types surveyed: family and children centres, housing offices, credit unions, community centres and prisons. Interviewees in prisons were also asked details about their prison sentence, their length of prison stay and whether this was the first time they had been to prison.

All interviewees, excluding those in prisons, were asked about the frequency and ease of visiting the outreach location. They were also asked in an open question their purpose for visiting the location. This qualitative data was coded and is included below. It provides insight into usage patterns and motivations for using the different outreach location types.

The results are first presented separately for each of the five location types. The last section summarises key similarities and differences across the five different outreach location types.

4.2 Family and Children Centres

Socio-demographic characteristics of visitors

Seventy people were interviewed in family and children centres, 61 of whom were female and 9 of whom were male. Their average age was 33. Of these, 39 per cent were white, 30 per cent were Asian, 15 per cent were black and 3 per cent were of mixed race; 15 per cent classed themselves as having a longstanding illness or disability. 49 per cent of interviewees were single, that is never married, and 67 per cent were married or living with a partner. Interviewees were asked if they had any dependent children living with them under the age of 16, or 16-18 and still in full-time education; 86 per cent of interviewees had dependent children, and 28 per cent of these were lone parents.

Of those interviewed, 49 per cent described their current situation as looking after the home or family, 20 per cent worked part time (up to 29 hours per week), 9 per cent worked full time (30+ hours per week), 9 per cent were in full-time education and 9 per cent were unemployed; 1 per cent of interviewees were on a Government work/training scheme, and 1 per cent were unable to work because they were permanently sick or disabled. Nobody was retired from paid work at the family and children centres surveyed.

Interviewees who were married or living with a partner were asked about their partner’s current situation: 58 per cent of the partners worked full time, 17 per cent worked part time, and 12 per cent were unemployed; 10 per cent said their partners

88 All others were either of an ‘other’ ethnicity or did not state their ethnicity.
89 Interviewees were asked if they had any long-standing illness, disability or infirmity (long-standing meaning anything that had troubled them over a period of time or that was likely to affect them over a period of time).
were looking after the home or family, and none were in full-time education. None were on a Government work/training scheme and 4 per cent were unable to work because they were permanently sick or disabled.

Interviewees were given a showcard with a list of different income ranges corresponding to random letters. They were asked to indicate which letter corresponded to their total household income from all sources before tax and other deductions. This included earnings from employment or self-employment, income from benefits and pensions, and income from other sources, such as interest from savings. Of those interviewed, 10 per cent said their household income was under £5,000, 33 per cent said between £5,000 and £10,000, 29 per cent said between £10,000 and £20,000, and 29 per cent said £20,000 or more. Just 4 per cent of interviewees in family and children centres reported their household income as £40,000 or more.

Interviewees were also given a list of qualifications, each of which corresponded to letters of the alphabet. They were asked to indicate the letter of the first one they came to that they had passed. The highest qualification on the list was ‘higher degree/postgraduate qualifications,’ and the lowest was ‘no qualifications’. Results are depicted in Figure 4.1.

![Figure 4.1](image)

**Figure 4.1**  Education qualifications of family and children centre interviewees

In terms of current home accommodation, 32 per cent of family and children centre interviewees rented their home from a local council or housing association or a registered social landlord, 28 per cent were buying it with the help of a mortgage or loan, 19 per cent rented from a private landlord, 9 per cent lived rent-free with friends or relatives, 6 per cent owned their home outright and 4 per cent paid part rent and part mortgage (shared ownership); 58 per cent of interviewees in family and children centres surveyed received housing benefit.
Visiting patterns

In terms of visiting patterns, 82 per cent of interviewees had visited the centre before. Those who had visited before were then asked how often they visited. 20 per cent came to the centre everyday, 39 per cent came two or three times a week, 25 per cent came once a week, 7 per cent came once every two weeks, 7 per cent came once a month and 3 per cent came less than once a month.

Interviewees who had visited the centre before were also asked how easy it was for them to get to the location: very easy, fairly easy, fairly difficult, or very difficult. 87 per cent of interviewees said it was very easy for them to get to the centre, and the remainder said fairly easy. No one said it was fairly or very difficult to reach the centre.

Interviewees who had visited the centre before were also asked about the purpose of their visit on the day of the survey interview. This was an open-ended question. Analysis showed that, not surprisingly, the vast majority of family and children centre interviewees came to the centres with children: interviewees mentioned that they were there to either pick up or drop off children, or to attend joint activities with their children. These were the most frequent reasons mentioned for visiting the family and children centre. A smaller number of interviewees also said they were in the centre for child or adult health reasons, for example, to get their child weighed. Again, this entailed being with a child or children. One interviewee mentioned that they were in the centre for supervised child-parent contact. A small number of interviewees also spoke about wanting to use the resources in the family and children centre.

4.3 Housing Office

Socio-demographic characteristics of visitors

In total, 118 people were interviewed in housing offices, 65 of whom were female and 53 of whom were male. They had an average age of 45. Of these, 90 per cent were white, 2 per cent were black and 1 per cent were of mixed race, 90 26 per cent had a longstanding illness or disability; 28 per cent of interviewees were single, that is never married, and 45 per cent were married or living with a partner; 32 per cent of interviewees had dependent children and 48 per cent of them were lone parents.

Twenty-nine per cent of interviewees in housing offices worked full time, 21 per cent were retired, 13 per cent looked after the home or family, 12 per cent were unemployed, 10 per cent worked part time, 9 per cent were permanently sick or disabled, 4 per cent were in full-time education and 1 per cent were on a Government work or training scheme.

Of those who were married or living with a partner, 32 per cent of the partners worked full time, 13 per cent were looking after the home or family and 13 per cent were unemployed; 7 per cent of partners worked part time and 4 per cent were in full-time education. None were on a Government work/training scheme; 9 per cent were unable to work because they were permanently sick or disabled.

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90 All others were either of an ‘other’ ethnicity or did not state their ethnicity.
Of those interviewed, 25 per cent said that their total annual household income was under £5,000; 31 per cent reported their household income to be between £5,000 and £10,000, 31 per cent said between £10,000 and £20,000, and 21 per cent said £20,000 or more. Only 1 per cent reported their household income to be £40,000 or more.

Educational qualifications among housing office interviewees are depicted in Figure 4.2.

**Figures 4.2 Education qualifications of housing office interviewees**

In terms of current home accommodation, not surprisingly 69 per cent of housing office interviewees rented from a local council or housing association or a registered social landlord, 9 per cent owned their homes outright, 9 per cent rented from a private landlord, 7 per cent were buying their home with the help of a mortgage or loan, 2 per cent paid part rent and part mortgage (shared ownership) and 1 per cent lived rent free with relatives or friends; 49 per cent were in receipt of housing benefits.

**Visiting patterns**

In terms of visiting patterns, 86 per cent of interviewees had visited the housing office before. Of those who had visited the housing office before, 1 per cent came to the housing office every day, 2 per cent came in two or three times a week, 39 per cent once a week, 14 per cent once every two weeks, 3 per cent every three weeks, 15 per cent once a month, and 26 per cent came less than once a month.

Of those interviewed, 68 per cent said it was very easy to get to the housing office, 27 per cent said fairly easy, 4 per cent found it fairly difficult and 3 per cent found it very difficult.

Compared to family and children centres, there was a greater spread of reasons for visiting housing offices. Many interviewees came to housing offices to pay rent or to
find somewhere to live. A number of interviewees also mentioned that they were in the housing office to pay their council tax, to deal with housing repair or re-decoration issues, or to receive generic housing advice and information. A minority of interviewees spoke about tenancy arrangements, making complaints or checking an account balance. One interviewee mentioned that they were in the housing office for a social reason, another spoke about employment advice, and one interviewee also referred to buying a bus pass.

4.4 Credit Unions

Socio-demographic characteristics of visitors

In total, 106 people were interviewed in credit unions, 53 of whom were female and 53 of whom were male. They had an average age of 38. Of those, 61 per cent were white, 12 per cent were Asian, 11 per cent were black and 6 per cent were of mixed race. A high 31 per cent had a longstanding illness or disability; 46 per cent of interviewees were single, that is never married, and 36 per cent were married or living with a partner; 39 per cent of interviewees had dependent children and 49 per cent of them were lone parents.

Thirty-nine per cent of credit union interviewees were unemployed, 19 per cent looked after the home or family, 18 per cent worked full time, 7 per cent worked part time, 6 per cent were unable to work because of being permanently sick or disabled, 6 per cent were in full-time education, 3 per cent were on a Government work or training scheme and 2 per cent were retired.

Of those who were married or living with a partner, 35 per cent said their partners worked full time, 23 per cent of partners were looking after the home or family and 15 per cent were unemployed; 10 per cent of partners worked part time and none were in full-time education. None were on a Government work/training scheme. A high 18 per cent were unable to work because they were permanently sick or disabled.

Forty per cent of credit union interviewees reported their total annual household income to be under £5,000; 33 per cent reported it to be between £5,000 and £10,000, 13 per cent between £10,000 and £20,000 and 6 per cent reported it to be £20,000 or more. Only 1 per cent reported their household income to be £40,000 or more.

Educational qualifications of interviewees in credit unions are depicted in Figure 4.3 below.
In terms of current home accommodation, 49 per cent of interviewees rented from a local council or housing association or a registered social landlord, 17 per cent rented from a private landlord, 12 per cent were buying their home with the help of a mortgage or loan, 9 per cent lived rent free with relatives/friends, 7 per cent owned their accommodation outright and 1 per cent paid part rent and part mortgage (shared-ownership). A high 71 per cent of credit union interviewees were in receipt of housing benefit.

**Visiting patterns**

In terms of visiting patterns, 85 per cent of interviewees had visited the credit union before. Of those who had visited, 22 per cent said they visited every day, 19 per cent came in two or three times a week, 38 per cent came in once a week, 5 per cent came in once every two weeks, 3 per cent came in every three weeks, 6 per cent once a month, and a relatively high 15 per cent visited less often than that.

Of those interviewees who had visited the credit union before, 69 per cent of interviewees said it was very easy to get to the credit union, 28 per cent said fairly easy, 3 per cent found it fairly difficult and 1 per cent found it very difficult.

When interviewees were asked about the purpose of their visit to the credit union on the day of the interview, interestingly many mentioned that they were looking for employment advice. Doing an adult skills course was also mentioned. These reasons indicate that some of the credit unions surveyed were in a location where employment advice and other services were also being offered. Interviewees also spoke about being in the credit union to pick up money, pay in savings or to pay off or arrange a loan. Around 10 interviewees spoke about financial or debt advice or general advice from a Citizens Advice Bureau being the reason for the visit. A number of interviewees also mentioned that they were visiting for social reasons (including food and drink).
4.5 Community Centres

Socio-demographic characteristics of visitors

In total, 105 people were interviewed in community centres, 70 of whom were female and 35 of whom were male. Their average age was 45. Of those, 89 per cent were white, 2 per cent were Asian, and 1 per cent were black. A high 30 per cent of community centre interviewees classed themselves as having a longstanding illness or disability; 25 per cent of interviewees were single, that is never married, and 44 per cent were married or living with a partner; 33 per cent of interviewees had dependent children under 18, and 51 per cent of these were lone parents.

Twenty-two per cent of community centre interviewees looked after the home or family, 18 per cent were retired, 16 per cent were unemployed, 15 per cent worked full time, 11 per cent were in full-time education, 5 per cent worked part-time and 11 per cent were unable to work because they were permanently sick or disabled; 1 per cent of interviewees were on a Government work/training scheme.

Of those interviewees who were married or living with a partner, 48 per cent said their partners worked full time, 14 per cent of partners worked part time and 14 per cent were unemployed; 4 per cent said their partners were looking after the home or family and 4 per cent were in full-time education. None were on a Government work/training scheme; 8 per cent were unable to work because they were permanently sick or disabled.

Twenty-five per cent of community centre interviewees reported their annual household income to be under £5,000; 35 per cent reported it to be between £5,000 and £10,000, 23 per cent between £10,000 and £20,000 and 11 per cent reported it to be £20,000 or more. None of the interviewees reported their household income to be £40,000 or more.

Educational qualifications of community centre interviewees are depicted in Figure 4.4 below.

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91 All others were either of an ‘other’ ethnicity or did not state their ethnicity.
In terms of current home accommodation, 39 per cent of community centre interviewees rented their accommodation from a local council or housing association or a registered social landlord, 18 per cent were buying it with the help of a mortgage or loan, a relatively high 17 per cent of interviewees owned their own homes outright, 8 per cent lived rent-free with friends or relatives, 6 per cent paid part rent part mortgage (shared ownership) and 5 per cent rented from a private landlord. A high 80 per cent of community centre interviewees were in receipt of housing benefit.

**Visiting patterns**

In terms of visiting patterns, the results showed that the vast majority of interviewees (95 per cent) had visited the centre before. Of those who had visited before, 15 per cent visited every day, 35 per cent visited two or three times a week, 40 per cent once a week, 2 per cent once every two weeks, 1 per cent once every three weeks, 1 per cent once a month and 7 per cent visited less than once a month.

Of those who had visited the community centre before, 77 per cent of interviewees said it was very easy for them to get to the centre and 20 per cent said fairly easy; 4 per cent found it fairly difficult, and 1 per cent found it very difficult.

Community centres were visited for a wide range of reasons. Being in the community centre for an adult leisure class or group and for activities with children were frequently mentioned. Many interviewees also spoke about visiting the community centre because they were looking for employment. Child and adult health was cited as a reason for a visit. Food/drink and social reasons were also cited as reasons for visits, highlighting how community centres serve a social function. Using resources at the community centre, such as the internet or a computer, was a further reason for a visit.
4.6 Prisons

Socio-demographic characteristics

Of 133 prisoners interviewed, all were male, with a mean age of 30; 84 per cent were white, 6 per cent were Asian, 5 per cent were black and 2 per cent were of mixed race; 24 per cent of prison interviewees said they had a longstanding illness or disability.

Fifty-eight per cent of prison interviewees were single – that is never married – and 23 per cent were married or living with a partner when not in prison; 54 per cent of prison interviewees had dependent children. Of those 54 per cent, 35 per cent had their children living with them prior to their prison sentence and 14 per cent were lone parents.

Interviewees in prison were given a list and were asked which of the items on the list described their situation before going to prison. A high 40 per cent of interviewees were unemployed, 33 per cent worked full time, 8 per cent worked part time, 8 per cent were unable to work because of being permanently sick or disabled, 4 per cent were in full-time education and 2 per cent looked after the home or family; 5 per cent did ‘something else’ before their prison sentence.

Forty-two per cent of prison interviewees reported their annual household income to be under £5,000 before going to prison; 12 per cent reported their income to be between £5,000 and £10,000, 21 per cent between £10,000 and £20,000 and 25 per cent reported it to be £20,000 or more. A relatively high 8 per cent reported their household income to be more than £40,000.

Educational qualifications among prisoners are depicted in Figure 4.5 below.

![Educational qualifications of prison interviewees](image)

**Figure 4.5 Educational qualifications of prison interviewees**

92 All others were either of an ‘other’ ethnicity or did not state their ethnicity.
Prior to their prison sentence, 35 per cent of interviewees lived rent-free with relatives or friends, 22 per cent rented from a local council or housing association or a registered social landlord and 14 per cent from a private landlord; 6 per cent were buying their accommodation with the help of a mortgage or loan, 5 per cent of interviewees owned their own home and 2 per cent paid part rent and part mortgage (shared-ownership); 58 per cent of interviewees were in receipt of housing benefit prior to prison.

Length of Stay in Prison and Repeat Sentences

Of those prisoners interviewed, 48 per cent had spent less than one month in their current prison, 28 per cent had been there between one and six months, 16 per cent between seven and twelve months and 5 per cent more than one year. Thirty-three per cent of the prison interviewees were due to be released in less than one month, 14 per cent were due to be released in one to two months, 8 per cent in two to three months, 8 per cent in five to six months, 5 per cent in seven to nine months, and 2 per cent in ten to twelve months. Eight per cent were due to be released in more than twelve months and 21 per cent said they did not know when they were due to be released.

For 34 per cent of the interviewees, this was their first prison sentence. Of the 66 per cent that had served custodial sentences before, 15 per cent had been in prison once before, 14 per cent twice before, 17 per cent three times before and 55 per cent had been in prison four times or more.

4.7 Highlighting Differences and Similarities

The results discussed in this chapter highlight the extent to which the locations surveyed differ. The implication for the money advice outreach pilots is that services need to take into account that different settings serve different users and different purposes. At the same time, there are similarities across the five outreach locations surveyed. These similarities indicate that all five outreach location types cater for people who are vulnerable to social exclusion and deprivation.

For example, interviewees in all five outreach location types reported relatively low household income. The lowest average household income was reported by interviewees in credit unions (roughly £7,500 per annum); the highest average household income was reported by interviewees in family and children centres (roughly £15,000 per annum). There were also high percentages of people reporting long-standing illness or disability. In addition, interviewees across all outreach location types reported low educational qualifications (apart from in family and children centres). Unemployment was also frequently reported. Many interviewees across all outreach locations said they rented their home from a local council or housing association or a registered social landlord. Many interviewees were also on housing benefit. In terms of family status, lone parenthood was relatively common. As discussed in Chapters 3, many of the above characteristics are associated indicators of financial exclusion.

However, there were some differences between locations. Whilst the profile of people

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There are significant differences among the outreach locations in terms of income.
using all five outreach locations generally pointed to disadvantage, some outreach locations seemed to serve more deprived communities and individuals than others.

This can be exemplified by looking at educational qualifications. Figure 4.6 compares broad educational qualifications between the five different outreach location types. As can be seen, users of family and children centres are far more likely to have A-levels and a first or higher degree compared to interviewees in other outreach location types and also compared to the population in general.\textsuperscript{94} They are clearly in the most advantageous position in regard to educational qualifications compared to interviewees in other outreach location types. A high percentage of prison, credit union and housing office interviewees report not having any educational qualifications at all. Community centre interviewees are more likely to have educational qualifications than interviewees in housing offices, prisons and credit unions.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure46.png}
\caption{Educational qualifications of interviewees for each location type}
\end{figure}

Comparing interviewees in the different location types further, prisons and credit unions had the highest proportions of interviewees with the lowest household incomes, the least educational qualifications and the highest unemployment rates – all variables associated with social and financial exclusion. Prison interviewees were particularly disadvantaged, with the highest proportion of people with no educational qualifications and household incomes of less than £5,000 (prior to going to prison). Also, 66 per cent of prison interviewees had served one or multiple custodial sentences before. The youngest people were found in prisons, indicating further vulnerability. Credit unions served the highest proportions of people reporting long-term illness or disability.

Family and children centres had the highest proportion of female visitors of the five outreach location types surveyed; 87 per cent of interviewees were female. A high percentage (almost half) looked after the home or family. Family and children centres served a highly ethnically diverse population; only 39 per cent of interviewees were white. Not surprisingly, interviewees in the family and children centres had the

\textsuperscript{94} 35% of 16-74 year olds in the UK have A-levels, first degrees or higher degrees according to the Census.
highest proportion of parents of the five outreach locations (86 per cent had dependent children).

The percentage of parents in family and children centres who were raising their child(ren) alone was relatively low in comparison to all the other non-prison outreach location types. In housing offices, credit unions, and community centres, around 50 per cent of parents were raising their child(ren) alone, compared to 28 per cent in family and children centres.

Housing offices and community centres served the oldest visitors of the five outreach locations, with the average age being 45. Neither of them were particularly diverse; 90 per cent of housing office interviewees and 89 per cent of community centre interviewees were white.

As regards the purpose of people’s visits to the outreach location, the vast majority of interviewees in family and children centres came to the centres with children; mostly to pick up or drop off children, attend joint activities or deal with a child health matter. The reasons behind visiting a community centre were the most wide-ranging, and included adult leisure or skills classes, using resources, looking for employment, social reasons, as well as activities for children. Reasons for visiting housing offices were more narrowly focused on housing matters. Credit union interviewees spoke about money-related reasons, but many spoke about looking for employment, indicating that the location the credit union was in also offered employment advice.

In regard to location accessibility, all four non-prison outreach locations surveyed were easy to reach for the vast majority of interviewees. As Figure 4.7 shows, family and children centres were the easiest for interviewees to reach. However, the other outreach location types were also easy to reach. Interviewees in housing offices reported most often that the office was very or fairly difficult to reach. However, even in this case, it was only 7 per cent who said this.

Accessibility is a prerequisite for successful outreach services. Together with findings set out in Chapter 8 – showing that in answer to an open-ended question many interviewees said that money outreach advice would be useful in the location as it was a convenient, local and accessible place – these results confirm that, in terms of convenience, the locations surveyed score highly.
Finally, in terms of visiting patterns, as Figure 4.8 shows, family and children centres, credit unions and community centres were all visited frequently. Interviewees went to these three outreach locations multiple times per week on average. The housing offices were the least frequently visited of the outreach locations surveyed; interviewees visited housing offices between once every two and once every three weeks on average. All four non-prison location types seem to be ideally suited for outreach advice, as people visit them frequently and consistently.
Figure 4.8. How often interviewees visited the outreach locations
5. Are financially excluded groups among outreach location users?

5.1 Overview

This chapter focuses on whether financially excluded groups use the outreach locations surveyed. Material presented in Chapter 3 forms the conceptual background to the analysis.

Different levels of financial exclusion experienced by interviewees are highlighted, illustrating that the distinction between financial inclusion and financial exclusion can be ‘fuzzy’. Results for five different broad groupings are discussed:

- interviewees who report associated indicators of financial exclusion;
- interviewees with no current accounts and no other financial products;
- interviewees with no current accounts but with other financial products;
- interviewees with basic current bank accounts;
- and interviewees with current bank accounts.

These findings are drawn upon to provide details on a ‘broadly’ financially excluded group.

The last section of this chapter provides survey results on multiple prison sentences and financial exclusion.

5.2 Associated Indicators of Financial Exclusion

As discussed in Chapter 3, there are a number of associated socio-demographic indicators of financial inclusion. The percentages of interviewees possessing these indicators in each location type are presented below. Whilst no claim is made that these interviewees are necessarily financially excluded, the results do indicate groups that are potentially at risk. Specifically, we look at lone parenthood, social housing, unemployment, permanent disability or illness preventing employment, low income, housing benefit receipt and educational qualifications. Ethnicity and geographical indicators are also included. To provide context, national percentages for equivalent groups of people are presented alongside survey results. At the end of the section, a summary graph contrasts findings across all the five outreach location types surveyed, compared to national averages.

Lone parenthood

Across all four non-prison outreach locations, 19 per cent of visitors were lone parents.95 A high proportion of lone parents were found in family and children centres; 24 per cent of them (19 people) were neither married nor living with a co-habiting partner, but had dependent children living with them. The survey found that 19 per cent of credit union interviewees (21 people) and 17 per cent of community...

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centre interviewees (19 people) were lone parents. By comparison, 15 per cent of interviewees in housing offices (19 people) were lone parents. Relatively few prisoners (only 8 per cent, 10 people) were lone parents prior to going to prison; however, this is not particularly surprising considering all the interviewees in the prison sample were male. These figures are high relative to the population; 6 per cent of households in England and Wales are lone parent households (Census, 2001). The percentage of male lone parents from the prison sample (8 per cent) is very high compared to the 0.6 per cent of male lone parents in England and Wales (Census, 2001).

Social housing

Across all four non-prison outreach locations, 47 per cent of visitors lived in social housing. The highest proportion of those who lived in social housing was aptly found in housing offices; 69 per cent of them (88 people) rented from a local council, housing association, or a registered social landlord. A high 49 per cent of credit union interviewees also lived in social housing (54 people). By comparison, 39 per cent of community centre interviewees (44 people) and 32 per cent of family and children interviewees (25 people) lived in this type of accommodation. Before going to prison, 22 per cent of prisoners (29 people) lived in social housing. These figures are high compared to the percentage of social housing households on the Local Authority Register in England: 7 per cent in the 2001 Census.

Unemployment

Across all four non-prison outreach locations, 19 per cent of visitors were unemployed. A high 40 per cent of prisoners (53 people) were unemployed before going to prison. A similar percentage of credit union interviewees (39 per cent, 43 people) were unemployed. The survey found that 16 per cent of community centre interviewees (18 people), 12 per cent of housing office interviewees (15 people), and 9 per cent of family and children centre interviewees (7 people) were unemployed. In comparison, the head of the household in 3 per cent of households in England and Wales was unemployed in 2001 (Census, 2001).

Limiting long-term illness or disability

Across all four non-prison outreach locations, 26 per cent of visitors had a limiting long-term illness or disability. The survey found that 31 per cent of credit union interviewees (34 people) and 30 per cent of community centre interviewees (34 people) reported a long-standing illness or disability; 26 per cent of housing office interviewees (33 people) and only 15 per cent of family and children centre interviewees (12 people) had a long-standing illness or disability. Lastly, 24 per cent of prisoners (32 people) reported long-standing illness or disability. By comparison, 18 per cent of the population of England and Wales and 14 per cent of those of working age have a limiting long-term illness (Census, 2001).

A smaller percentage of interviewees reported being permanently disabled or ill, which prevented them from working; 11 per cent of community centre interviewees (13 people), 9 per cent of housing office interviewees (12 people), 8 per cent of prisoners (10 people), 6 per cent of credit union interviewees (7 people) and only 1 per cent of family and children interviewees (1 person) fell into this category.
Annual household income of less than £10,000

Across all four non-prison outreach locations, 58 per cent of visitors had a household income of less than £10,000 per year. A high 73 per cent of credit union interviewees (58 people), 60 per cent of community centre interviewees (45 people), 57 per cent of housing office interviewees (56 people) and 42 per cent of family and children centre interviewees (22 people) reported a total household income of less than £10,000 per year; 54 per cent of prisoners (58 people) had a total household income of less than £10,000 per year before going to prison. In comparison, 21 per cent of employees, including full-time and part-time workers, reported less than £10,000 per year, in terms of individual (rather than household) income (Office of National Statistics Annual Survey of Hours and Earnings, 2005).

Housing benefit

Across all four non-prison outreach locations, 64 per cent of visitors received housing benefit. A high 80 per cent of community centre interviewees’ households (40 people) and 71 per cent of credit union interviewees’ households (52 people) received housing benefit. By comparison, 58 per cent of family and children centre interviewees’ and 48 per cent of housing office interviewees’ households (47 people) reported housing benefit receipt; 58 per cent of prison interviewees’ households (28 people) were in receipt of housing benefit. By comparison, only 14 per cent of households in the United Kingdom receive housing benefit (Department for Work and Pensions Family Resources Survey, 2004-2005).

No educational qualifications

Across all four non-prison outreach locations, 24 per cent of visitors did not have any educational qualifications. The survey found that 36 per cent of credit union interviewees (40 people), 32 per cent of housing office interviewees (41 people), 17 per cent of community centre interviewees (19 people) and 9 per cent of family and children centre interviewees (7 people) held no educational qualifications. A high 40 per cent of prisoners (53 people) had no educational qualifications at all. By comparison, 29 per cent of the population of England and Wales aged 16-74 have no educational qualifications (Census, 2001).

Ethnicity

Across all four non-prison outreach locations, 70 per cent of visitors were white; 39 per cent of family and children centre interviewees (30 people) and 61 per cent of credit union interviewees (68 people) were white. Family and children centres and credit unions were thus the most diverse sites. A high 89 per cent of community centre interviewees (101 people) and 90 per cent of housing office interviewees (114 people) were white, while 82 per cent of prison interviewees (43 people) were white.

Of family and children centre interviewees, 12 per cent were Asian Pakistani and 12 per cent were Asian Bangladeshi. Of credit union interviewees, 3 per cent were Asian Pakistani and 1 per cent was Asian Bangladeshi. In community centres, only 1 per cent was Asian Pakistani and 1 per cent was Asian Bangladeshi. There were no Asians in the housing offices. Of the five outreach locations, family and children
centres tended to have the most Asian Pakistani and Bangladeshi interviewees overall. None of the prison interviewees was Asian.

Of the family and children centre interviewees, 15 per cent (12 people) were black. In credit unions, 11 per cent (12 people) were black. In community centres, only 1 person (1 per cent) was black. In housing offices, 2 people (2 per cent) were black. Of the prison interviewees, 8 per cent (4 people) were black.

![Figure 5.1 Ethnic group distribution among outreach locations, in comparison to national averages](image)

As Figure 5.1 shows, credit unions and family and children centres serve a high proportion of ethnic minorities that have been found to be particularly financially excluded, i.e. Asian Pakistani, Asian Bangladeshi and black groups (18 per cent and 39 per cent respectively).96

**Geographical indicators**

Merging data from 396 survey interviewees and the 2004 Indices of Multiple Deprivation, it was clear that interviewees lived in deprived areas. Of the 396 interviewees, 295 (75 per cent) came from the top 20 per cent of most deprived Super Output Areas (Lower level) and 184 (47 per cent) from the top 10 per cent of the most deprived areas. In contrast, only 6 interviewees (2 per cent) resided in one of the 20 per cent of least deprived Super Output Areas (Lower level).

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96 Results in this graph are presented for black, Asian Pakistani and Asian Bangladeshi in particular, as they are groups that are among indicator groups for financial exclusion. See Chapter 3.
Summary of indicators associated with financial exclusion

Figure 5.2 below summarises the above financial exclusion indicator findings visually. A separate bar was added to compare indicators derived from the survey findings with national findings.97

![Bar chart showing associated indicators of financial exclusion](chart)

Figure 5.2 Associated indicators of financial exclusion

As Figure 5.2 shows, all five outreach location types generally served considerably higher proportions of people with demographics that are indicators of financial exclusion than the national average. That is, in all five outreach locations a higher percentage of lone parents, people who lived in social housing, unemployed people and people with long-standing illness or disability were found compared to national averages. However, family and children centres and community centres served a greater proportion of individuals with educational qualifications higher than the national average.

Moving on from showing that the outreach locations surveyed cater for people vulnerable to financial exclusion, the following two sections highlight that a significant number of outreach location users report experiencing financial exclusion.

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97 National average figures were unavailable for direct comparison with survey figures for the percentage of people in England and Wales who were permanently sick or disabled, which prevented them from working. Thus, this was not reported in Figure 5.2.
5.3 Interviewees with No Current Account and No Other Financial Products

Data concerning those interviewees who did not have a current account or any other financial products are presented in this section. These are, by definition, the most financially excluded individuals.

Across all non-prison outreach locations, 5 per cent of interviewees (20 people out of 430 interviewees) fell into this most financially excluded category. However, there were differences between the different outreach location types that we surveyed, with interviewees in family and children centres reporting having no current account and no other financial products most frequently (8 per cent) and interviewees in community centres reporting this least frequently (2 per cent). Further, 6 per cent of credit union interviewees reported having no current account and no other financial products, while 4 per cent of interviewees in housing offices reported no access to these financial products.

Prisoners were by far the most disadvantaged in terms of the most extreme form of financial exclusion: 40 per cent of prisoners (53 people out of 133) reported having no current account and no other financial products.

For non-prison outreach locations, 9 interviewees out of the 20 who were in the most financially excluded group reported being married or living with a partner. Of these 9, 7 interviewees reported that their partner, husband or wife had a current account with a bank or building society that they used for day-to-day money management, for example, to pay bills or to access cash. Only 2 reported that their partner, husband, or wife did not have access to a current account.

In the prisons surveyed, of the 53 interviewees who were in the most financially excluded group, 11 reported being married or living with a partner when not in prison. Of these 11, only 3 reported having a partner or wife with a current account used for day-to-day money management. Seven reported that their partner or wife did not have access to a current account.

As regards socio-demographics for the 20 most financially excluded non-prison interviewees, 8 were male and 12 were female. Their mean age was a relatively young 33. Two of the 20 interviewees were lone parents. Ten interviewees were single, 9 were married or living with a partner, and 1 was separated. Six interviewees had dependent children living with them. Four interviewees reported having a long-standing illness or disability. Twelve interviewees were white, and there was a relatively even spread across other ethnic groups.

Eight of these 20 non-prison interviewees were unemployed, while 7 worked full time or part time. A relatively high proportion (6 interviewees) also had no educational qualifications. Eight interviewees reported that GCSEs were their highest qualification.

Nine of the 20 interviewees reported a total household income from all sources before tax and other deductions of less than £10,000. Interestingly, 5 said they did not know what their income was, and 2 refused to state their income. Not knowing their income might be related to the financial exclusion these interviewees were

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98 As regards partners and gender, among non-prison interviewees with no current account or other financial products, there were 3 male interviewees with partners. Of these, all of their partners had access to current account facilities. Of the 6 female interviewees with partners, 4 of the partners had a current account, but 2 partners did not.
experiencing, with poor knowledge of income levels and poor access to, and knowledge of, mainstream banking being inter-related problems.

Only 1 of the 20 interviewees reported owning their own accommodation outright. Eleven of the interviewees, on the other hand, rented from their local council, housing association, or a registered landlord. Only 5 interviewees reported that either they or someone in their household received housing benefit. Given the income profile and housing situation of the 20 interviewees, it could be assumed that more than 5 interviewees would be eligible for housing benefit. The low levels of housing benefit receipt therefore point to low take-up levels.

The mean age of the 53 prison interviewees who reported having no current account or other financial products was 30. Six of the 53 interviewees were lone parents. Thirty-one interviewees were single, 11 were married (or living with a partner when not in prison), 9 were separated or divorced, and 2 were widowed. Twenty-eight interviewees had dependent children. Eleven of them normally lived with these children outside of prison. Sixteen interviewees reported having a long-standing illness or disability. Forty-three interviewees were white, and 5 were black.

A large proportion of the 53 prison interviewees (26 people) were unemployed before going to prison. Fourteen interviewees worked full time or part time. A high proportion of interviewees had no qualifications (25 interviewees). Thirteen interviewees reported that GCSEs were their highest qualification.

Twenty-seven interviewees reported a total household income of less than £10,000 before going to prison. A relatively high number of twelve said they did not know what their income was, and 1 refused to state his income.

Only 2 of the 53 prison interviewees reported owning their own accommodation outright. Twelve of them, on the other hand, rented from their local council, housing association, or a registered landlord before going to prison. Thirteen interviewees reported that either they or someone in their household received housing benefit.

### 5.4 Interviewees with No Current Account but Other Financial Products

Data concerning those who did not own a current account with a bank or building society but who did possess other financial products are presented in this section. These other financial products included credit union accounts and post office accounts. Whilst interviewees with financial products other than a current account are less financially excluded than those with no financial products at all, they cannot be described as fully financially included (see Chapter 3).

Across all non-prison outreach locations surveyed, 22 per cent of interviewees (96 people out of 430 interviewees) were financially excluded in that they had no current account, although they did have other financial products. Again, there were differences across the outreach location types. Of the interviewees in credit unions, 31 per cent (34 people) were financially excluded in that they had no current account, although they did have other financial products. By comparison 23 per cent of housing office interviewees (29 people) fell into this category of financial exclusion; 19 per cent of interviewees in family and children centres (15 people) and 16 per cent of interviewees in community centres (18 people) reported not owning a current account with a bank or building society but did have other financial products.
The survey found that 24 per cent of prisoners (32 people) did not own a current account with a bank or building society but owned other financial products.

As regards partner’s access to mainstream banking, for credit unions, out of 34 interviewees, 11 reported being married or living with a partner. Of these 11, 4 interviewees reported that their partner, husband or wife had a current account with a bank or building society that they used for day-to-day money management. For housing offices, out of 29 interviewees, 12 reported being married or living with a partner. Of these 12, only 2 interviewees reported that their partner, husband or wife had a current account with a bank or building society that they used for day-to-day money management. For family and children centres, out of 15 interviewees, 9 reported being married or living with a partner. Of these 9, 6 interviewees reported that their partner, husband or wife had a current account used for day-to-day money management. For community centres, out of 18 interviewees, 6 reported being married or living with a partner. Of these 6, 3 interviewees reported that their partner, husband or wife had a current account with a bank or building society used for day-to-day money management.99

For prisoners, 7 interviewees out of 32 reported being married, or living with a partner when not in prison. Of these 7, 4 reported having a partner/wife with a current account with a bank or building society used for day-to-day money management.

Regarding socio-demographics, of the 95 non-prison interviewees who reported having no current account but other financial products, 30 were male and 92 were female. Their mean age was 42. Of the 95 interviewees, 19 were lone parents. Thirty-one interviewees were single, 37 were married or living with a partner, and 26 were separated, divorced or widowed; 40 interviewees had dependent children; 32 interviewees reported having a long-standing illness or disability; 67 interviewees were white, and there was a relatively even spread across other ethnic groups. Eighteen of these 95 non-prison survey interviewees were unemployed, while 17 interviewees worked full time or part time. A high proportion of these interviewees also had no qualifications (24 interviewees). Thirty interviewees reported that GCSEs were their highest qualification.

Eleven of the 95 interviewees reported owning their own accommodation outright. Sixty of them rented from their local council, housing association or a registered landlord. Fifty-eight interviewees reported that either they or someone in their household received housing benefit.

Sixty-three of the 95 interviewees reported a total household income from all sources before tax and other deductions of less than £10,000. Nine said they did not know what their income was, and 5 refused to state their income.

The mean age of the 32 prison interviewees who had no current account but had access to other financial products was 31. Only one of the 32 interviewees was a lone parent. Twenty interviewees were single, 7 were married (or living with a partner when not in prison), and 5 were separated. Twenty-two interviewees had dependent children. Only five of them normally lived with these children outside of prison. Eight

99 As regards partners and gender, among non-prison interviewees with no current account but with access to other financial services, there were 10 male interviewees with partners. Four of these 10 partners had access to current account facilities. Of the 28 female interviewees with partners, 11 of these partners had access to such facilities.
Interviewees reported having a long-standing illness or disability. Twenty-seven interviewees were white, 3 were Asian (Pakistani and Bangladeshi) and 1 was black.

A large proportion of the 32 prison interviewees (13 people) were unemployed before going to prison. Fourteen interviewees worked full time or part time. A further eleven of these interviewees also had no qualifications. Eleven interviewees also reported that GCSEs were their highest qualification.

None of the 32 prison interviewees reported owning their own accommodation outright. Eleven of them rented from their local council, housing association or a registered landlord before going to prison. Ten interviewees reported that either they or someone in their household received housing benefit.

Eight interviewees reported a total household income of less than £10,000 before going to prison. Two said they did not know what their income was.

5.5 Interviewees with Basic Current Bank Accounts

This section focuses on interviewees who reported possessing a basic bank or building society current account. This group, according to the definitions set out in Chapter 3, is defined as being financially included. However, even among this group financial exclusion could be experienced if the account is not used for money management on a day-to-day basis.\(^{100}\) It is also worth noting that basic bank accounts were designed for people who had limited prior experience of electronic banking.

Not surprisingly, a relatively high 23 per cent of interviewees in credit unions (26 people) only had a basic bank account – that is, a current account without a chequebook facility. In comparison, 21 per cent of community centre interviewees (24 people), 19 per cent of prisoners (25 people) and 18 per cent of housing office interviewees (23 people) had a basic account. A low 13 per cent of family and children centre interviewees (only 10 people) fell into this category.

As expected, a minority of interviewees with basic bank or building society current accounts did not use them for day-to-day money management, and can therefore be described as financially excluded. Eleven of the 83 non-prison interviewees were financially excluded in this way.\(^{101}\) Nine of the 25 prison interviewees were financially excluded.

---

\(^{100}\) For prison interviewees, using the account for day-to-day money management referred to before going to prison.

\(^{101}\) Of these 11, 4 were male and 7 were female. Their mean age was 34. One of the 11 interviewees was a lone parent. Six interviewees were single, 4 were married or living with a partner and 1 was widowed. Three interviewees had dependent children. Four interviewees reported having a long-standing illness or disability. Six interviewees were white, and there was a relatively even spread across other ethnic groups. Three people were unemployed, while 3 interviewees worked full time or part time. Only one of the 11 interviewees had no qualifications, and interviewees reported that GCSEs were their highest qualification. Only 1 of the 11 interviewees owned their own accommodation outright. Seven of them rented from their local council, housing association or a registered landlord. Two interviewees reported that either they or someone in their household received housing benefit either directly or by having it paid to their landlord on their behalf. Five interviewees reported a total household annual income of less than £10,000. Four interviewees said they did not know what their income was, highlighting a lack of knowledge about their finances, and, together with not using their basic bank account on a day-to-day basis, to a general lack of confidence in regard to dealing with money issues.
excluded in the sense of having a basic bank or building society current account but not using it on a day-to-day basis for money management (before going to prison).\textsuperscript{102}

5.6 Interviewees with Current Bank Accounts

Those who possess a current bank or building society account instead of a basic bank account are defined as financially included. As discussed in Chapter 3, this means that holders have a more comprehensive range of banking facilities available to them than those with a basic account. However, even among this group the non-use of a banking account for day-to-day money management might indicate some level of financial exclusion.

Community centre interviewees were significantly more likely to report having a current bank or building society account compared to interviewees in other outreach location types: 61 per cent of them (70 people) held current accounts with cheque book facilities; 56 per cent of interviewees in family and children centres (44 people) and 54 per cent of those in housing offices (68 people) held this facility; 38 per cent of credit union interviewees (42 people) fell into this category, whilst only 18 per cent of prison interviewees (24 people) did.

A small number of these interviewees reported not using their current bank or building society account for day-to-day money management. This small group can be described as financially excluded. Seventeen of the 224 non-prison interviewees were financially excluded in this way.\textsuperscript{103} Four of the 24 prison interviewees were financially excluded in the sense of having a current bank account but not using it for day-to-day money management (before going to prison).\textsuperscript{104}

\textsuperscript{102} The mean age of these 9 prison interviewees was 25. One of the 9 interviewees was a lone parent. Eight interviewees were single and only 1 was married or living with a partner. Three interviewees had dependent children. One of them had a long-standing illness or disability. All 9 interviewees from this financial exclusion group were white. A large proportion of these interviewees (4 people) were unemployed before going to prison, while 3 interviewees worked full time. Five of these interviewees had no educational qualifications, and 2 interviewees reported GCSEs as their highest qualification. Only 1 of the prison interviewees rented from their local council, housing association or a registered landlord before going to prison. One interviewee reported that either he or someone in his household received housing benefit before going to prison. One interviewee reported an income of between £2,500 and £4,999, and 3 reported earning between £30,000 and £49,999 before going to prison. Again, as with non-prison interviewees, a high number (5) said they did not know what their income was.

\textsuperscript{103} Of these 17 non-prison interviewees, 10 were male and 7 were female. Their mean age was 39. Two of the 17 interviewees were lone parents. Nine interviewees were single, 5 were married or living with a partner, 1 was widowed and 2 were divorced. Six interviewees had dependent children. Eight people were unemployed, while 4 interviewees worked full time or part time. Moreover, 3 looked after the home or family. Two interviewees reported having a long-standing illness or disability. Twelve interviewees were white, and 4 were ethnic minorities. Six of these interviewees had no qualifications, and 8 interviewees reported that GCSEs were their highest qualification. None had any higher qualifications than A-levels. Two of the 11 interviewees reported owning their own accommodation outright. Six of them rented from their local council, housing association or a registered landlord. Seven interviewees reported that either they or someone in their household received housing benefit. Five interviewees reported a total household income of less than £10,000. Five said they did not know what their income was, and 1 interviewee refused to state his or her income level.

\textsuperscript{104} Their mean age was 28. None of the 4 interviewees was a lone parent. Two interviewees were single and 2 were married or living with a partner when not in prison. One interviewee had dependent children. One interviewee reported having a long-standing illness or disability. Three of the interviewees were white and 1 was Asian Bangladeshi. One interviewee was unemployed before going to prison, while 3 interviewees worked full time or part time. One of these interviewees had no educational qualifications, and 1 had GCSE’s as his highest qualification. None of the prison interviewees rented from their local council, housing association, or a registered landlord before going to prison. Likewise, none of the prison interviewees reported receiving housing benefit before going to prison; however, 3 did not state
5.7 Financially Included Vs. Financially Excluded Interviewees

This section provides details on a ‘broadly’ financially excluded and a ‘broadly’ financially included group, drawing on results from previous sections of this chapter. The financially excluded group consists of interviewees who did not have a current account or had one but did not use it for day-to-day money management. In detail, they are composed of the following groups discussed above:

- interviewees with no current account nor any other financial products;
- interviewees with no current account but other financial products;
- interviewees with basic current bank accounts but who do not use their account for day-to-day money management;
- and interviewees with current bank accounts who do not use their account for day-to-day money management.

A relatively high 33 per cent of non-prison interviewees (144 out of 433) fell into this category, and a very high proportion (73 per cent) of prison interviewees (97 out of 133) fell into this category. Table 5.1 depicts the results in detail.

Broken down by outreach location type, it is clear that prisoners are particularly financially excluded. Credit unions also serve a large percentage of financially excluded people. Community centres, in comparison, do not serve such a high proportion of financially excluded people. However, even among community centre interviewees, 19 per cent still report some form of financial exclusion.

Table 5.1 Breakdown of financially excluded interviewees by outreach location type

<table>
<thead>
<tr>
<th>Outreach location</th>
<th>No. of interviewees</th>
<th>% of excluded interviewees in each outreach location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community centres</td>
<td>22</td>
<td>19%</td>
</tr>
<tr>
<td>Family and children centres</td>
<td>24</td>
<td>31%</td>
</tr>
<tr>
<td>Housing offices</td>
<td>41</td>
<td>32%</td>
</tr>
<tr>
<td>Credit unions</td>
<td>57</td>
<td>51%</td>
</tr>
<tr>
<td>Prisons</td>
<td>97</td>
<td>73%</td>
</tr>
</tbody>
</table>

In the remaining chapters, we use this ‘broadly’ financially excluded group for analysis purposes. However, as shown in this chapter and in Chapter 3, it should be borne in mind that financially excluded groups are heterogeneous. The purpose of this chapter was to show different experiences of financial exclusion.

In addition, many people who are not defined as belonging to the financially excluded group for analysis purposes are at risk of financial exclusion. As was shown earlier, all five outreach location types served high proportions of people with demographics that are indicators of financial exclusion.

either way whether or not they received housing benefit. One prison interviewee reported a total annual household income of between £2,500 and £4,999, 1 interviewee reported it to be between £10,000 and £19,999, and 1 reported his total household income to be between £40,000 and £49,999 before going to prison. One said he did not know what his income was.
5.8 Multiple Prison Sentences and Financial Exclusion

Further analysis on the prisoner survey showed that those who had been in prison previously were more likely to be financially excluded.

At 60 per cent, the majority of those who were in prison for the first time were financially excluded, while an even higher 80 per cent of prison interviewees who had been to prison before were financially excluded, \( \chi^2 (1) = 5.76, p = .02 \) (see Figure 5.3 below). To look at it another way, 72 per cent of financially excluded prison interviewees were ‘repeat’ prisoners, while 50 per cent of financially included interviewees had been in prison before.

Looking at the number of times interviewees had gone to prison, results showed that financially excluded prisoners had served significantly more prison sentences than financially included prisoners, \( F (1, 131) = 4.25, p = .04 \).

These findings suggest that financial exclusion might both play a role in, and be reinforced by, custodial sentences.

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**Figure 5.3 Average number of times interviewees had been to prison and experience of financial exclusion**

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105 This \( \chi^2 \) test examines whether or not there is a significant difference between the groups. A p-value of .05 and under is generally accepted as indicating a significant difference. A p-value of .10 and under is generally accepted as indicating a marginally significant difference, i.e., there tends to be a difference between the two groups.

106 This F statistic reflects the amount of difference there is between the groups. A p-value of .05 and less is generally accepted as indicative of a significant difference between the groups. n.s. indicates non-significance.
6. Do outreach location users have money problems?

6.1 Overview

This chapter examines the extent to which interviewees in the outreach locations surveyed have money issues and problems.

First, we describe budgetary awareness, followed by the extent to which interviewees keep up with bills and credit commitments, and run out of money before the end of the week or month. While for some interviewees these issues could already be an indication of serious money problems, others might find these issues escalating in the future and becoming serious debt problems.

The next section covers loans and credit arrangements, including arrangements with non-mainstream lenders. This is followed by a section on interviewees who report serious financial problems since the beginning of 2003.

Results on prison interviewees are covered throughout this chapter. However, a specific section looks at dealing with existing debt whilst in prison, getting into debt whilst in prison and the impact of debt on prisoners' families.

The last section considers the self-reported impact of money problems on the lives of interviewees; focusing on worry, severity of impact and future outlook.

The results in most sections are first split by the five prison outreach location types, then into four categories according to two criteria: financially excluded and included interviewees, and prison and non-prison locations.

6.2 Budgetary Awareness, Money Management and Experience

Budgetary awareness

All interviewees were asked whether they know (or knew, in the case of prisoner interviewees) exactly how much money they have for everyday household expenses. We hypothesised that those on lower incomes would know more accurately how much money they had left to spend on household bills and expenses than those from higher income brackets. The results, split by the five location types, are set out in Figure 6.1.
Figure 6.1 highlights that budgetary awareness is similar across all of the outreach location types surveyed. A high percentage of interviewees in all five location types reported that they knew exactly how much they had to spend (between 41 per cent and 54 per cent depending on location type). Conversely, a low figure reported knowing only within £100 or more. These results point to outreach location users being conscious of their limited budget. As shown in Chapters 4 and 5, interviewees reported significantly lower incomes compared to the general population, making it necessary for them to monitor everyday household expenses very closely. Among high-earners, we would expect a lower percentage of people to know how much money is available to pay for everyday household expenses.

Budgeting results were split by financial exclusion/financial inclusion and non-prison/prison categories to form four groups. As Figure 6.2 shows, financially excluded non-prison interviewees tended to be more aware of how much money they had available for everyday household expenses than financially included non-prison interviewees, $F (1, 370) = 3.92, p = .001$. Among the prison interviewees a similar trend in patterns of awareness between the included and excluded groups could be
observed, although it was found not to be significant, \( F (1, 116) = .63, \text{n.s.} \). However, these findings still seem to support the hypothesis that financial exclusion and an awareness of the exact size of your budget are linked.

![Figure 6.2 How accurately interviewees say they know how much money they have available to pay for everyday household expenses, such as groceries and bills (percentage of interviewees by financial inclusion/exclusion and non-prison/prison locations)](image)

*Figure 6.2 How accurately interviewees say they know how much money they have available to pay for everyday household expenses, such as groceries and bills (percentage of interviewees by financial inclusion/exclusion and non-prison/prison locations)*

**Keeping up with bills and credit commitments**

All non-prison interviewees were asked whether they were keeping up with their bills and credit commitments at the time of the survey. They were given the option of choosing one of a number of set responses presented to them. Prison interviewees were asked this question with regard to their situation immediately prior to their prison sentence.
Figure 6.3 reveals that prisons and credit unions contained the lowest proportion of people able to keep up with all bills and commitments without difficulty (24 per cent and 31 per cent respectively). Interviewee groups from community and family and children centres contained the greatest overall proportion of people keeping up with their bills and commitments, albeit with a struggle in the case of some of them (88 per cent and 91 per cent respectively). This suggests that visitors to these locations are best able to manage their money compared to interviewees in other outreach location types surveyed. In fact, no interviewees from the family and children centres reported having real financial problems and falling behind with many bills or credit commitments at the time of the survey interview. The largest proportion of people falling behind with some or all of their bills and commitments were found in housing office and prison locations (17 per cent and 16 per cent respectively) suggesting that people in these location types were most in need of money management and debt advice at the time of interview.

At first glance, it is surprising that such high percentages of prison interviewees reported having no bills or credit commitments. As mentioned above, this question was asked in relation to their situation immediately prior to prison, and as such we would have expected the results to be more in line with that of the other outreach location types surveyed.
One possible explanation is that some of those who had served previous prison sentences might not have had the chance to formally register for services that would entail regular bills or commitments since their last prison sentence, and before their current one. This hypothesis is in line with findings that financially excluded prisoners in our survey are more likely to have been in prison previously, and that financially excluded prisoners are more likely to have no bills or credit commitments than those who were financially included (see Figure 6.4 below).

Figure 6.4 organises the interviewees' responses concerning bills and commitments according to prison/non-prison location and financially excluded/included categories. Among non-prison interviewees the financially included were more able than the excluded to keep up with their bills and commitments without a struggle, and fewer were falling behind with them. Similarly, financially included prison interviewees were more likely than the excluded prison interviewees to have been keeping up with their bills and commitments immediately prior to their sentence, although they were also more likely to have been falling behind with them too. This can be explained, however, by the significant proportion of financially excluded prisoners who reported having no bills or commitments (38 per cent).

Figure 6.4 Statement that best describes how well interviewees [and their partner] are keeping up with bills and credit commitments at the time of the interview (percentage of interviewees by financial inclusion/exclusion and non-prison/prison locations)

Those interviewees who reported that they were falling behind with some or many of their bills or credit commitments were subsequently asked which of their bills or credit commitments they were falling behind on. Interviewees’ responses are presented in Figure 6.5, according to outreach location type.
Unsurprisingly, by far the largest proportion of interviewees behind on court fine payments (52 per cent) came from prison locations, and the largest proportion behind on their mortgage or rent were found in housing offices. Those behind on household bills most often came from family and children centres, with 80 per cent of the people spoken to in these locations listing them among the payments they were in arrears on.

Figure 6.5 Payments interviewees are behind on (percentage of interviewees in each outreach location type)

Figure 6.6 presents the same information according to the financially included and excluded groups and the prison/non-prison locations.

Across all four groups, interviewees were frequently behind on their household bill payments. The financially excluded non-prison interviewees reported being behind on these most often, however. As would be expected, among those who reported being behind on credit or store cards, interviewees most commonly came from one of the financially included groups. In the case of personal loan payments, however, it
was the financially included in non-prisons and the financially excluded in prisons who most often reported that they were behind on these payments.

Both the prison and non-prison financially included groups reported being behind with their council tax, income tax or VAT payments significantly more often than the excluded groups. This is not surprising when we consider that the 2002-2003 Family Resources Survey findings showed that 64 per cent of households with no bank account were in receipt of council tax benefit, 48 per cent were in receipt of Income Support and 8 per cent were in receipt of Jobseeker’s Allowance. It follows, therefore, that because a significant group of the financially excluded interviewees from both location types are likely not to be paying council or income tax, only a small group would be in a position to fall behind on these payments.

Figure 6.6 Payments interviewees are behind on (percentage of interviewees by financial inclusion/exclusion and non-prison/prison locations)

Running out of money

All interviewees were asked how often during the past 12 months (prior to starting their sentence in the case of prisoners) they ran out of money before the end of the week or month. As Figure 6.7 below shows, interviewees in the four non-prison locations exhibited a very similar response pattern to this question. A higher percentage of interviewees reported that they never, or hardly ever, ran out of money than those who reported that they ran out of money always or most of the time (48 per cent vs. 27 per cent). A significant group in each of the four location types, however, reported that they sometimes ran out of money, implying some difficulties with budgeting and money management and/or insufficient levels of income. The size of this group ranged from 20 per cent in the community centres to 33 per cent in the credit unions surveyed.

A higher proportion of prison interviewees (30 per cent) than those from any other outreach location type always ran out of money before the end of the week or month before going to prison. This is not surprising considering the highest percentage of financially excluded interviewees was also found in the prison locations. Interestingly, we see a polarised pattern among prison interviewees, with the majority (59 per cent) answering that they always or never ran out of money. Drug addiction and its...
associated costs may be one reason why some prisoners reported always running out of money at the end of the week or month before going to prison.\textsuperscript{108}

Within the prisoner group, those who had been in prison before reported running out of money more often than those who were in prison for the first time, $F (1, 128) = 6.75, p = .01$ (see Figure 6.8). Interviewees who were in prison for the first time said they ran out of money, on average, between ‘hardly ever’ and ‘sometimes’, whereas interviewees who had been in prison before reported running out of money between ‘sometimes’ and ‘most of the time’.

![Figure 6.8](image)

**Figure 6.8** How often prison interviewees ran out of money before the end of the week or month before going to prison according to previous prison sentences

Responses to this question were then analysed in relation to the two broadly excluded and included groups (see Figure 6.9 below) and the prison/non-prison locations.

\textsuperscript{108} Around two-thirds of prisoners use illegal drugs in the year before imprisonment – at least double the general population aged between 16 and 29. Around a quarter of men admitted to using heroin or crack cocaine in the year before imprisonment. Three-fifths of prisoners report that their drug use caused problems in areas such as employment, finances and relationships (See Social Exclusion Unit (2002) *Reducing Re-offending by Ex-Prisoners*, London: Office for the Deputy Prime Minister).
As Figure 6.9 shows, financially excluded prison interviewees were substantially more likely than the other three groups to always run out of money before the end of the week or month, with 35 per cent reporting this. This group was also less likely to never run out of money. The difference between the financially excluded and included prison interviewees in terms of running out of money was statistically significant, $F (1, 128) = 3.92, p = .05$. Within our non-prison interviewees, however, there was no significant difference between the financially excluded and included groups in terms of how often they ran out of money, $F (1, 426) = .35, n.s.$

Interestingly, the financially included prisoners were the most likely group to report never running out of money. This could be related to the high levels of prisoner interviewees reporting having no bills or credit commitments, as discussed earlier in this chapter.

### 6.3 Loans and Credit Arrangements

All interviewees were presented with a list of loan and credit arrangements and asked which they possessed, either in their own name or jointly with someone else. Their responses are set out in Table 6.1 according to outreach location type.
### Table 6.1 Loans and credit arrangements interviewees have, either in their own name or jointly with someone else

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Family and Children Centre</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
<th>Prison</th>
</tr>
</thead>
<tbody>
<tr>
<td>A personal loan with a company that comes to your home to collect payments</td>
<td>8 (10%)</td>
<td>15 (12%)</td>
<td>11 (10%)</td>
<td>4 (4%)</td>
<td>4 (3%)</td>
</tr>
<tr>
<td>A personal loan with a bank, building society or finance house (NOT a mortgage or student loan)</td>
<td>10 (13%)</td>
<td>22 (18%)</td>
<td>13 (12%)</td>
<td>15 (13%)</td>
<td>15 (11%)</td>
</tr>
<tr>
<td>A Student Loan from the Student Loan Company</td>
<td>6 (8%)</td>
<td>2 (2%)</td>
<td>1 (1%)</td>
<td>4 (4%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>A loan from a credit union</td>
<td>0 (0%)</td>
<td>1 (1%)</td>
<td>23 (21%)</td>
<td>6 (5%)</td>
<td>2 (2%)</td>
</tr>
<tr>
<td>A loan from the Social Fund</td>
<td>7 (9%)</td>
<td>17 (14%)</td>
<td>16 (14%)</td>
<td>12 (11%)</td>
<td>15 (11%)</td>
</tr>
<tr>
<td>A loan from a pawnbroker</td>
<td>1 (1%)</td>
<td>1 (1%)</td>
<td>1 (1%)</td>
<td>0 (0%)</td>
<td>3 (2%)</td>
</tr>
<tr>
<td>A car loan/credit agreement</td>
<td>3 (4%)</td>
<td>11 (9%)</td>
<td>5 (5%)</td>
<td>9 (8%)</td>
<td>2 (2%)</td>
</tr>
<tr>
<td>A hire purchase, credit sale or rental purchase agreement</td>
<td>1 (1%)</td>
<td>9 (7%)</td>
<td>5 (5%)</td>
<td>6 (5%)</td>
<td>5 (4%)</td>
</tr>
<tr>
<td>A store card that you don’t settle in full each month</td>
<td>6 (8%)</td>
<td>7 (6%)</td>
<td>5 (5%)</td>
<td>7 (6%)</td>
<td>3 (2%)</td>
</tr>
<tr>
<td>A credit card that you don’t settle in full each month</td>
<td>19 (24%)</td>
<td>23 (18%)</td>
<td>17 (15%)</td>
<td>13 (11%)</td>
<td>10 (8%)</td>
</tr>
<tr>
<td>A mail order catalogue arrangement to buy goods in instalments</td>
<td>15 (19%)</td>
<td>16 (13%)</td>
<td>11 (10%)</td>
<td>23 (20%)</td>
<td>3 (2%)</td>
</tr>
<tr>
<td>Interviewees with none of the above</td>
<td>31 (40%)</td>
<td>54 (43%)</td>
<td>57 (51%)</td>
<td>61 (54%)</td>
<td>79 (59%)</td>
</tr>
</tbody>
</table>

| Total number of loans/credit arrangements                               | 76                          | 124            | 108          | 99               | 62     |
| Total number of interviewees                                            | 78                          | 126            | 111          | 114              | 133    |
| Number of loans per hundred interviewees                                | 97                          | 98             | 97           | 87               | 47     |

*The percentages do not total 100 as multi-coding was allowed.

A relatively high percentage of interviewees in family and children centers, housing offices and credit unions possessed personal loans from companies that came to their home to collect payment (10 per cent, 12 per cent, and 10 per cent of interviewees in each location type respectively). Use of such non-mainstream credit services has often been associated with financial exclusion. Of interviewees in community centres, on the other hand, only 4 per cent had such a loan, whilst a
significantly higher 13 per cent had a personal loan from a mainstream bank, building society or finance house.

Interestingly, although the prevalence of loans from companies that come to the home to collect payment was quite high in three of the five location types, interviewees with loans from a pawnbroker were rarely seen in any of the locations.\(^{109}\) The highest proportion of interviewees with such a loan were found in prisons, where the total stood at 2 per cent (3 people). Social fund loans, awarded by the Government to individuals (mainly those eligible for benefits) for intermittent and unexpected expenses, were, however, relatively common in all five outreach location types with between 9 per cent and 14 per cent of interviewees in each location receiving them.

Unsurprisingly, credit union interviewees reported by far the highest percentage of credit union loans. Interviewees in housing offices reported the highest total number of loans and credit arrangements. Personal loans with a bank or building society and credit cards that are not settled in full each month were particularly prevalent.

Noticeably, prison interviewees reported fewer loans and credit arrangements than non-prison interviewees, with a substantial 59 per cent of interviewees from this location type not in possession of any of the credit or loans arrangements on the list. This figure is not surprising given the high percentage of prison interviewees who were financially excluded. Lack of a permanent address between (or prior to) prison sentences, possibly in addition to a criminal record itself, will also act as a barrier to accessing credit (both mainstream and otherwise).

Analysis was then conducted using the financially excluded/included and the prison/non-prison location categories (see Table 6.2 below). Unsurprisingly, both prison and non-prison financially included interviewees reported being in possession of personal loans with a bank, building society or finance house far more frequently than both groups of financially excluded interviewees. The same pattern applies to credit cards that are not settled in full each month. Financially excluded interviewees in both prison and non-prison locations were significantly more likely to report not having any loans or credit arrangements, highlighting their exclusion from credit services. This figure was particularly high for financially excluded prisoners, standing at 65 per cent of interviewees falling into this category.

However, similar percentages of excluded and included interviewees from prison and non-prison locations reported being in possession of a loan from a company that comes to the house to collect payments, and a loan from the Social Fund. This finding confirms that outreach location users surveyed, be they financially included or excluded, are from disadvantaged communities.

Table 6.2 Loans and credit arrangements interviewees have either in their own name or jointly with someone else

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Non-prisons</th>
<th>Prisons</th>
</tr>
</thead>
<tbody>
<tr>
<td>A personal loan with a company that comes to your home to collect payments</td>
<td>26 (9%)</td>
<td>12 (8%)</td>
</tr>
<tr>
<td>A personal loan with a bank, building society or finance house (NOT a mortgage or student loan)</td>
<td>53 (19%)</td>
<td>7 (5%)</td>
</tr>
<tr>
<td>A Student Loan from the Student Loan Company</td>
<td>11 (4%)</td>
<td>2 (1%)</td>
</tr>
<tr>
<td>A loan from a credit union</td>
<td>19 (7%)</td>
<td>11 (8%)</td>
</tr>
<tr>
<td>A loan from the Social Fund</td>
<td>32 (11%)</td>
<td>20 (14%)</td>
</tr>
<tr>
<td>A loan from a pawnbroker</td>
<td>1 (0%)</td>
<td>2 (1%)</td>
</tr>
<tr>
<td>A car loan/credit agreement</td>
<td>25 (9%)</td>
<td>3 (2%)</td>
</tr>
<tr>
<td>A hire purchase, credit sale or rental purchase agreement</td>
<td>19 (7%)</td>
<td>2 (1%)</td>
</tr>
<tr>
<td>A store card that you don’t settle in full each month</td>
<td>22 (8%)</td>
<td>3 (2%)</td>
</tr>
<tr>
<td>A credit card that you don’t settle in full each month</td>
<td>63 (22%)</td>
<td>9 (6%)</td>
</tr>
<tr>
<td>A mail order catalogue arrangement to buy goods in instalments</td>
<td>47 (16%)</td>
<td>18 (13%)</td>
</tr>
<tr>
<td>None of these</td>
<td>119 (42%)</td>
<td>84 (59%)</td>
</tr>
</tbody>
</table>

*The percentages do not total 100 as multi-coding was allowed.

Cluster analyses, summarised in a dendrogram, were conducted with the non-prison sample (see Figure 6.10 and Table 6.3). Dendrograms are commonly used to summarise cluster analysis results. They illustrate the complete clustering procedure and the divisions made at each stage of analysis.

Interviewees who had a personal loan with a company that comes to the home to collect payments tended to be more likely to have a loan from the Social Fund. These people were then also likely, though less so, to have a loan from a credit union. Interviewees who had a personal loan with a bank, building society or finance house tended to be more likely to have a credit card that they did not settle in full each month.

These two cluster groupings highlight different forms of debt. The more excluded and disadvantaged groups seek help from companies that visit them at home, from the Social Fund and from a credit union. Those with access to mainstream banking tend to rely on personal loans and credit cards to deal with debt.
6.4 Serious Financial Difficulties

All interviewees were asked whether they had found themselves in serious financial difficulties since the start of 2003. They were given the examples of falling behind on rent or being unable to pay utility bills in order to contextualise the question. Results from this question are presented in Figure 6.11.
As shown in Figure 6.11, the highest percentage of interviewees reporting serious financial difficulties were found in credit unions (41 per cent) and the lowest in community centres (28 per cent). The average across all outreach locations was 35 per cent. This does not necessarily mean that credit union locations contained the largest number of people with serious problems, only the largest number of people who perceived them as such.

The financially excluded non-prison group tended to report having experienced serious financial difficulties more often that than those who were financially included, although this difference was marginal, $\chi^2(3) = 7.13$, $p = .07$. Among the prison interviewees, there was no difference between those who were financially excluded and those who were not, in terms of reporting serious financial difficulty, $\chi^2(4) = 6.42$, n.s.

### 6.5 Prison and Debt

**Dealing with existing debt whilst in prison**

Prison interviewees who reported having fallen behind with some bills or credit commitments, or having had real financial problems and falling behind with many bills or credit commitments, *before* going to prison were asked whether their debt problems had got better, worse or stayed the same since being in prison.

Of the 21 who responded to this question, 2 interviewees (10 per cent) said their debt problems had got better since being in prison. Eight interviewees (38 per cent) said their debt problems had got worse, and 10 interviewees (48 per cent) said that their debt problems had stayed the same. One interviewee (5 per cent) said he did not know whether or not his debt problems had improved or deteriorated, or stayed the
same. There was no difference between financially included and financially excluded prison interviewees, \( \chi^2(3) = 1.76, \text{n.s.} \)

Those prison interviewees who reported that their debt problems had got worse since being in prison were asked why they had got worse. This was a qualitative question. Of the 8 prisoners who answered this question, 6 answers referred to the build-up of interest. For example, one of the prisoners said that interest charges were mounting on his overdraft because he was not able to talk to the bank whilst in prison. Another prisoner spoke of increasing interest owing to a moneylender. A third prisoner referred to his partner outside of prison, saying that she was not getting the money to pay for bills and his debts were therefore getting worse. Another interviewee claimed his debt problems had got worse ‘because they have found out where I am’. This seems to refer to creditors who had found out which prison the interviewee was being housed in.

Getting into debt whilst in prison

Prison interviewees who did not report having fallen behind with some bills or credit commitments or having real financial problems and falling behind with many bills or credit commitments before going to prison, were asked whether they had got into debt since being in prison. A relatively high proportion (12 per cent) of prison interviewees reported that they had got into debt since being in prison.

These 13 interviewees were asked a qualitative follow-up question to gain a deeper understanding of reasons behind getting into debt whilst in prison. There were a variety of reasons. For example, one interviewee said that he did not know how to cancel his mobile phone or direct debits, as he had no addresses or telephone numbers to do this from prison. Another interviewee also referred to his mobile phone, citing this as the cause of his debt. He was not able to cancel his year-long contract and was therefore obliged to pay £100 a month for the phone even whilst in prison and unable to use it. A number of interviewees mentioned credit card bills, mortgages, loan payments, car finance and bank charges. For example, one interviewee said that he had got into debt since being in prison because of:

“Having to pay credit agreements … father is paying some of them but I will have to give him the money … also interest will be piling up.”

Another prison interviewee mentioned drugs, saying that he was in a large amount of debt to a friend who was bringing drugs into prison for him. Another interviewee spoke about owing money to other inmates for tobacco.

A number of interviewees cited their housing situation outside of prison as a cause of going into debt whilst in prison. One of them said:

“I am in debt with my landlord … I hope he will wait for the housing benefit … I was up to date when I came in but my rent is now overdue.”

This quote highlights a knowledge gap. Prisoners are not eligible to receive housing benefit; however, there is a lack of awareness of this among many prisoners.\(^{110}\) This interviewee seemed to be under the misconception that he was due housing benefit. His debt problems might therefore have been worse than he thought they were, because any overpaid benefits would usually have to be repaid. The quote also

illustrates that the interviewee was hoping to return to the same accommodation on release from prison. Similarly, another prison interviewee referred to his B&B\textsuperscript{111} accommodation, saying that his rent for the two weeks whilst he had been in prison was overdue. He stated that his room in the B&B was therefore no longer available to him, highlighting housing problems that many prisoners face on release.

\textit{Impact of debt on prisoners' families}

Prison interviewees who reported financial problems or debts were asked whether their partner and/or family was experiencing problems because of these debts while they were in prison. Out of the 21 prison interviewees who answered this question, 6 (30 per cent) reported that their partner/family was experiencing problems because of these debts. This finding helps to highlight the impact that money problems can have on the families of those suffering from them, especially when the individual in question is in prison, and therefore unable to deal with many financial problems directly.

\textbf{6.6 Anxiety about Money Issues}

Interviewees who reported having found themselves in serious financial difficulties since the start of 2003, or reported having real financial problems and falling behind with many bills or credit commitments, were asked a series of questions about the ways in which these problems had been affecting them. These impact questions are useful for highlighting the extent to which money problems impinge on people's lives and affect their well-being.\textsuperscript{112}

\textit{Worrying about money problems}

First, interviewees were asked how much of their time they spent worrying about their money problems. There was no significant difference among the four non-prison outreach location types surveyed; 67 per cent of interviewees (96 people) said they spent 'all or most of their time' worrying about their money problems. This finding highlights the significant impact that money problems can have on people's lives. Comparable findings from the English and Welsh Civil and Social Justice Survey (CSJS) show that 51 per cent of interviewees worry all or most of their time about their debt problem. Although the definition of debt was different for the CSJS,\textsuperscript{113} these findings indicate that the interviewees in the outreach locations surveyed, many of whom are disadvantaged, spend more time worrying about their debt than the population in general (based on CSJS findings).

\textsuperscript{111} Living in B&B accommodation is in itself a sign of exclusion. In October 2001, the Government established the Bed and Breakfast Unit (BBU), to tackle the rise in B&B use and help local authorities find better ways of assisting homeless families in crisis. The Government has a target to halve the number of households in temporary accommodation by 2010.


\textsuperscript{113} Debt in the CSJS was defined as: being several rent payments in arrears; eviction or threat of eviction; repossession of the home; having several mortgage payments in arrears; unreasonable harassment from people or organisations to whom interviewees owe(d) money; severe difficulties managing to pay money owe(d); being threatened with legal action to recover money owe(d); interviewer having a County Court judgment against them.
There was a marginally significant difference between financially included and financially excluded interviewees across all four non-prison outreach locations. Financially included interviewees spent less time worrying about their money problems than financially excluded interviewees, $F(1, 141) = 3.63, p = .06$.

Twenty-eight prison interviewees (22 per cent) reported having found themselves in serious financial difficulties, or having had real financial problems and falling behind with many bills or credit commitments, prior to their prison sentence. These interviewees spent less of their time worrying about their money problems than non-prison interviewees, $t(169) = -3.47, p < .05$. There was no significant difference between the financially included and excluded prison interviewees in terms of worrying, $F(1, 26) = .22, n.s.$

**Impact of money problems on life**

Interviewees were also asked to rate the severity of the impact that their money problems had on their life from 0 to 10. As can be seen in Figure 6.12, on average interviewees across all non-prison locations reported that the impact had been ‘markedly severe’ (mean = 7.9, standard deviation = 2.7). In addition, the results showed that there were significant differences between the four non-prison outreach location types surveyed, with interviewees in credit unions reporting a more severe impact on their life resulting from their money problems, followed by community centre interviewees. Family and children centre interviewees reported the least impact, though the impact reported was far from negligible. There was no significant difference between financially included and financially excluded non-prison interviewees.

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114 0 denoting not at all severe, 2 denoting mildly severe, 5 denoting moderately severe, 8 denoting markedly severe, and 10 denoting extremely severe.

115 Standard deviation is the most common measure of statistical dispersion, measuring how spread out the values are. A standard deviation of 2.7 shows that about 68% of interviewees in non-prison outreach locations will rate severity of impact as being between 5.2 and 10 (within one standard deviation from the mean) and 95% of people will rate between 2.5 and 10 (within two standard deviations from the mean).
Prison interviewees were asked the same question. Their responses showed that money problems had on average somewhere between a ‘markedly severe’ and an ‘extremely severe’ impact on their life. As with non-prison interviewees, there was no significant difference in the impact reported by financially included and excluded prison interviewees.

A future without money problems

Interviewees were also asked whether they could see a time in the future when they did not have these money problems. The results are displayed in Table 6.4 below.

Table 6.4 Whether interviewees can see a time in the future where they will not have their money problems

<table>
<thead>
<tr>
<th></th>
<th>Family and Children Centre</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
<th>Prison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes – definitely</td>
<td>3 (17%)</td>
<td>13 (33%)</td>
<td>13 (34%)</td>
<td>11 (41%)</td>
<td>11 (27%)</td>
</tr>
<tr>
<td>Yes – possibly</td>
<td>13 (72%)</td>
<td>15 (39%)</td>
<td>13 (34%)</td>
<td>7 (26%)</td>
<td>7 (17%)</td>
</tr>
<tr>
<td>No</td>
<td>2 (11%)</td>
<td>11 (28%)</td>
<td>12 (32%)</td>
<td>9 (33%)</td>
<td>7 (17%)</td>
</tr>
</tbody>
</table>

Table 6.4 gives some impression of how optimistic or pessimistic interviewees felt about resolving their money problems. Interviewees in community centres present the most polarised picture. Across all outreach locations, they reported more
frequently that they could see an end to their money problems. On the other hand, many of the community centre interviewees were pessimistic about resolving their money problems in the future (33 per cent answered 'no').
7. Awareness, Usage and Attitudes Vis-à-Vis Existing Mainstream Advice Services

7.1 Overview

This chapter explores interviewees' awareness and usage of existing advice services. Their attitudes towards these mainstream services are also examined. The following chapter deals specifically with attitudes towards and potential usage of money advice outreach services.

Again, results are presented for each outreach location type as well as for financially included and financially excluded groups. Prison interviewees were asked the same questions as interviewees in non-prison locations with regard to their awareness, usage and attitudes vis-à-vis advice prior to their prison sentence. However, they were also asked about their experiences of advice whilst in prison, and about attitudes towards advice after release. These additional results are presented at the end of the relevant sections.

7.2 Awareness

Awareness of geographical proximity of mainstream advisers

Interviewees in the family and children centres, housing offices, credit unions and community centres surveyed were asked which of a range of advisers were within two miles of their usual residential address. Findings are presented for two mainstream advisers: Citizens Advice Bureaux (CABx) and solicitors.

Using survey findings, other data, and Geographical Information System (GIS) analysis, interviewees' spatial awareness of local advice supply was explored against whether or not there was an actual advice supplier in their area. Data obtained directly from Citizens Advice was used to map the locations of CABx. Community Legal Services' specialist (solicitor) contract holder data was used as a proxy for general solicitor, obtained from the Legal Services Commission.\(^\text{116}\)

When compared against mapped provision data, 90 per cent of interviewees lived within a two-mile radius of a solicitor and 79 per cent of interviewees lived within two miles of a CAB. These percentages are high, especially when compared to the same information for the general population; 79 per cent of the general population live within two miles of a solicitor and 59 per cent live within two miles of a CAB. Considerably more interviewees from the money advice outreach survey therefore had a CAB and a solicitor within two miles of their home, compared to the general population.

\(^\text{116}\) The reason for this was two-fold; first, the data is limited to firms of solicitors who provide direct services to the public, on civil (such as social welfare law, family, discrimination, etc.) and criminal justice issues as opposed to procedural advice (for example, conveyancing of wills and probate) or solicitors primarily concerned with commercial clients; secondly, the data provides quality-checked baseline data on the provision of solicitor locations.
population of England and Wales. Interviewees consequently have good, or very good, geographical access to mainstream advice providers.

However, good mainstream advice provision does not necessarily mean it is used; and those who are particularly ‘hard-to-reach’ might be unaware or unwilling to use mainstream advice. In addition, mainstream advice provision even within a two-mile radius can be difficult to reach for some people, due to poor public transport links, no access to a car and limited funds to pay for public transport. All these three points – being unaware of mainstream advice provision, being unwilling to use it and/or having difficulty travelling even relatively short distances – makes the provision of easily accessible outreach advice important.

Of those with at least one solicitor office within two miles, 51 per cent of interviewees who were questioned in outreach locations were unable to identify any. Similarly, 55 per cent of interviewees with a CAB within two miles were not aware of this. Awareness among these outreach location survey interviewees was noticeably lower than awareness recorded in the LSRC’s English and Welsh Civil and Social Justice Survey (CSJS), which is a large-scale face-to-face survey representative of the population of England Wales. It shows that 43 per cent of respondents were unaware of a nearby solicitor and 46% per cent were unaware of a nearby CAB. Clearly, we are seeing many interviewees in the outreach locations surveyed being less knowledgeable about mainstream local advice provision than the population in general (based on CSJS findings) – despite mainstream advice provision being located closer to their homes when compared to the general population.

When further broken down by outreach location, significant differences are revealed between them. It is evident from Figure 7.1 that, while interviewees in credit unions and family and children centres were considerably more likely not to be aware of the existence of a local solicitor, interviewees from housing offices had levels of awareness comparable to those found in the CSJS. With only 34 per cent of interviewees unable to identify a local solicitor, community centre interviewees in particular demonstrated relatively high levels of awareness. Indeed, interviewees from credit unions were almost twice as likely to be unaware of a solicitor within two miles of their homes than interviewees in community centres.
Figure 7.1 Percentage of interviewees with lack of awareness of a solicitor within two miles of their home

A similar trend is evident when looking at awareness of a local CAB (see Figure 7.2). Unawareness is particularly high among interviewees in family and children centres and remains high among credit union interviewees. Again, awareness in interviewees from housing offices remains comparable to CSJS findings, and is noticeably higher among interviewees in community centres. Clearly, in terms of knowledge of local mainstream advice provision, interviewees in the community centres surveyed are less ‘hard-to-reach’ than interviewees in credit unions and family and children centres.
Figure 7.2 Percentage of interviewees with lack of awareness of a CAB within two miles of their home

When comparing awareness of local mainstream advice provision between those interviewees who fall within the broad definition of financial exclusion and those who do not, clear differences emerge, as can be seen in Figure 7.3. Financially excluded interviewees were more likely to be unaware of both local solicitors and CABx than other interviewees. Given their lack of awareness regarding local provision from two types of mainstream advisers, these interviewees can be defined as ‘hard-to-reach’. They are clearly within the target group of the LSC’s money advice outreach pilots: they are experiencing financial exclusion whilst at the same time being unaware of local mainstream advice provision that could help with money or debt issues. A successful money advice outreach service could therefore reach a group that requires help and would not ordinarily seek advice.
Figure 7.3 Percentage of interviewees who lack awareness of a CAB or solicitor within two miles of their home by financial exclusion/inclusion status of interviewee

Awareness of advice provision among prison interviewees

For prisons, where the above proximity questions were not appropriate, interviewees were asked what advice services they thought were available in their prison. Prisoners’ perceptions were compared with actual advice provision within the prison at the time of the survey interview. 59 per cent of prison interviewees reported that they had used one or more of the advice services listed in Table 7.1. However, the findings presented in this table also highlight awareness gaps. As can be seen, prison interviewees were often unaware of advice available to them in prison.

117 LSRC researchers spoke to a contact in each of the prisons surveyed to establish the types of advice services offered.
Table 7.1. Prisoners’ perceptions of which advice services their prison currently provides or which services they have access to*

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage of interviewees aware of advice provided in their prison</th>
<th>Actual Provision Across Prisons Surveyed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice/information on prison issues</td>
<td>28%</td>
<td>0%**</td>
</tr>
<tr>
<td>(via Prison Reform Trust)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt advice</td>
<td>14%</td>
<td>***</td>
</tr>
<tr>
<td>Drugs/alcohol advice/information/programmes</td>
<td>77%</td>
<td>100%</td>
</tr>
<tr>
<td>Housing/accommodation advice</td>
<td>61%</td>
<td>100%</td>
</tr>
<tr>
<td>Benefits advice</td>
<td>49%</td>
<td>100%</td>
</tr>
<tr>
<td>Jobcentre Plus</td>
<td>51%</td>
<td>100%</td>
</tr>
<tr>
<td>Offender behaviour programmes</td>
<td>43%</td>
<td>100%</td>
</tr>
<tr>
<td>Resettlement programmes/ pre-release courses</td>
<td>61%</td>
<td>66%</td>
</tr>
<tr>
<td>Nacro resettlement helpline</td>
<td>23%</td>
<td>82%</td>
</tr>
<tr>
<td>Other helplines (e.g. Shelter, CLS Direct)</td>
<td>24%</td>
<td>82%</td>
</tr>
<tr>
<td>Other advice services</td>
<td>10%</td>
<td>100%</td>
</tr>
<tr>
<td>None of these</td>
<td>8%</td>
<td>--</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4%</td>
<td>--</td>
</tr>
</tbody>
</table>

* Multi-coding was allowed
** None of the prisons surveyed provided advice or information via the Prison Reform Trust. However, 28% of the prison interviewees said they received advice/information on prison issues in general from an advice organisation.
*** Although all of the prisons surveyed reported providing some form of debt advice, only some of the prisoners had access to it.

7.3 Usage

Not receiving advice: hard-to-reach groups

Interviewees in real financial difficulties\(^{118}\) were asked whether they had received any advice from friends or relatives, people or organisations they owed money to, or ‘anyone else’. ‘Anyone else’ included independent and impartial advice providers such as CABx, solicitors and Law Centres.\(^{119}\) In the case of prison interviewees, the question referred to advice before going to prison.

\(^{118}\) Defined as: finding themselves in serious financial difficulties, such as falling behind on their rent or unable to pay utility bills since the start of 2003 and/or having real financial problems and having fallen behind with many bills or credit commitments.

\(^{119}\) The full list of ‘anyone else’ was comprised of: solicitor, Citizen’s Advice Bureau, National Debtline, Money Advice Trust, Consumer Credit Counselling Service, Law Centre, CLS Direct, other dedicated advice service, trade union, Shelter, a bank or building society, a loan/finance company, a credit union,
A substantial proportion (31 per cent) of the 150 non-prison interviewees who experienced real financial difficulties reported not receiving advice at all. As shown in the section above, this is in the context of mainstream advice provision being relatively easily accessible to most of these interviewees. This demonstrates that mainstream provision is not necessarily sufficient in reaching some people.

An even higher percentage (90 per cent) of the 41 prison interviewees who reported real financial difficulties did not receive any advice. Clearly, there is a significant need for money advice among both these prison and non-prison interviewees. Being or having been in real financial difficulties without receiving any advice for these difficulties indicates that these interviewees are ‘hard-to-reach’ and could profit from money advice outreach services.

Advice from family and friends, creditors and professional advisers

For those who did receive advice, results are presented in Table 7.2 below, which shows findings only for non-prison outreach locations. As can be seen, credit union interviewees were more likely to receive advice for financial difficulties for all three categories of ‘advisers’: friends or relatives, people they owed money to and also from ‘anybody else’.

Interviewees who reported only receiving advice from friends or relatives, or from people or organisations they owed money to, could be defined as ‘hard-to-reach’; they are unlikely to have received professional, impartial and independent advice from either family or friends, or from creditors. They may be unaware of how to seek advice from a mainstream independent adviser, or may be too embarrassed to contact them.

Table 7.2 Whether interviewees had advice on their financial difficulties from friends or relations, people or organisations they owed money to, or ‘anyone else’

<table>
<thead>
<tr>
<th></th>
<th>Family and Children Centre</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends or relatives</td>
<td>29%</td>
<td>31%</td>
<td>38%</td>
<td>34%</td>
</tr>
<tr>
<td>People or organisations you owed money to</td>
<td>29%</td>
<td>29%</td>
<td>33%</td>
<td>22%</td>
</tr>
<tr>
<td>Anyone else?*</td>
<td>38%</td>
<td>25%</td>
<td>53%</td>
<td>28%</td>
</tr>
</tbody>
</table>

* ‘Anyone else’ included independent and impartial advice providers such as CABx, solicitors and Law Centres; see footnote 119 for full list of advice providers in this category.

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a mortgage company, a court, Inland Revenue/HMRC, a local councillor/MP, a local Council, JobCentre/JobCentre Plus, another professional person/organisation.

120 For prison interviewees, the numbers were so small (N = 4) that they were excluded from this table and in the following analyses.

121 In some cases, family or friends may have been professional (money) advisers, in which case these interviewees are likely to have received high-quality advice.
Across all non-prison outreach locations, 54 interviewees said they received advice from ‘anyone else’. Out of these, the majority (63 per cent) went to CABx and 22 per cent went to credit unions. A few (between one and three interviewees per organisation) reported receiving advice from other organisations.\textsuperscript{122} Of the 54 interviewees, 91 per cent received the advice in person, 28 per cent received advice over the telephone, 9 per cent received advice in writing (e.g. a letter or email) and 2 per cent received advice from the internet.\textsuperscript{123}

There were no significant differences between financially included and excluded interviewees in terms of whether they got advice from friends or relatives, people or organisations they owed money to, anyone else, or whether they did not obtain any advice at all for their financial difficulties.\textsuperscript{124}

\textit{Receiving advice for managing money on a day-to-day basis}

All interviewees were asked whether they were receiving any advice or help with managing their money on a day-to-day basis at the time of the survey interview. For prison interviewees this meant advice received whilst in prison.

As can be seen in Table 7.3, interviewees in family and children centres reported most frequently that they were receiving some advice or help with managing their money on a day-to-day basis. Given their experience of both financial exclusion (see Chapter 5) and money problems (see Chapter 6), it is surprising that only 6 per cent of prison interviewees reported receiving advice on how to manage their money on a day-to-day basis at the time of the survey interview. This indicates that there is a need for money advice outreach among the prisoners interviewed.

\textbf{Table 7.3 Whether interviewee is currently receiving any advice or help with managing their money on a day-to-day basis}

<table>
<thead>
<tr>
<th>Family and Children Centres</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
<th>Prison</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>4%</td>
<td>7%</td>
<td>3%</td>
<td>6%</td>
</tr>
</tbody>
</table>

There was no significant difference between financially excluded and financially included interviewees in terms of whether they were receiving any advice or help with managing their money on a day-to-day basis at the time of the survey interview.\textsuperscript{125}

\textsuperscript{122} These were: a solicitor, National Debtline, Money Advice Trust, Consumer Credit Counseling Services, a bank or building society, a mortgage company, a court, a local councillor/MP, a JobCentre, Christians Against Poverty, Debt Agency, Debt Management, financial adviser, their probation officer, a housing support team, student services and a tenancy support group.

\textsuperscript{123} Interviewees were able to multi-code.

\textsuperscript{124} $\chi^2(3) = .64$, $\chi^2(3) = 1.32$, $\chi^2(2) = 1.54$, and $\chi^2(1) = .76$, all n.s.

\textsuperscript{125} $\chi^2(1) = .40$, n.s.
Receiving advice whilst in prison

A range of detailed questions was asked of prison interviewees in regard to advice whilst in prison. As shown in Table 7.3 above, only 6 per cent of prison interviewees were receiving any advice or help with managing their money whilst in prison. Those who did receive advice (8 people) whilst in prison were then asked who they had received advice from. Three received advice from friends or relatives, 1 received advice from the people or organisation he owed money to, 5 received advice from other advisers and 3 did not state who they had received advice from.126 All of this advice received whilst in prison on financial difficulties was in person.

Prisoner interviewees who had experienced or were experiencing real financial difficulties127 were asked whether their partner or family were seeking advice about their debts on behalf of the prison interviewee, from somewhere other than the prison. Out of 41 interviewees, 3 partners or family members were seeking advice about the prison interviewee’s debt on his behalf, 17 were not, 2 did not have partners or family, and 19 did not state whether their partner or family was seeking advice on their behalf.

Prison interviewees were also asked some further questions on advice-seeking, not specifically focused on money advice. The aim was to gain a greater understanding of advice-seeking and advice receipt in prisons in general. 42 per cent of prison interviewees had sought advice on drugs, 33 per cent on education, 32 per cent on housing, 26 per cent on employment, 25 per cent on physical health, 17 per cent on family/relationships and 14 per cent had sought advice on mental health issues.128 23 per cent had not sought advice on any issue.

Prison interviewees were also asked whether they received any advice when they first came to prison on housing or welfare benefit matters. Prisoners are not eligible for housing benefit. Leaving these matters unresolved can result in financial difficulties after release. A relatively high percentage of 32 per cent received advice on housing and welfare benefits when they first came to prison.

7.4 Attitudes

Advice and help needed for managing money (non-prison interviewees)

All interviewees were asked whether they felt there was any advice or help they needed about managing their money, in addition to any advice they might already be receiving. There was no significant difference among interviewees in the credit unions, community centres, family and children centres, and housing offices surveyed, \( \chi^2(4) = 2.65, n.s. \)129 Across all non-prison outreach locations, 16 per cent felt they needed advice or help with managing their money, a relatively high 79 per cent felt they did not, and 4 per cent said they did not know whether they felt they needed advice or help with managing their money. The majority therefore believed

---

126 Multi-coding was allowed.
127 Defined as: since the start of 2003 at any time finding themselves in serious financial difficulties such as falling behind on their rent or unable to pay utility bills and/or having real financial problems and falling behind with many bills or credit commitments before going to prison.
128 Multi-coding was allowed.
129 There was also no significant difference between financially included and financially excluded interviewees, \( \chi^2(12) = 11.50, n.s. \)
they did not need any advice and help with managing their money, although a significant minority felt they did. It is worth remembering that this question was asked of all interviewees, irrespective of whether they had money problems or not.

Those interviewees who said they did feel that they needed advice or help with managing their money, were asked a qualitative follow-up question: ‘What advice or help do you feel would be useful?’ Table 7.4 below depicts the answers in a quantitative form for family and children centre, housing office, credit union and community centre interviewees. This is followed by a number of illustrative quotes.

As Table 7.4 shows, most interviewees felt it would be useful to receive advice on budgeting and money management (39 per cent), while 16 per cent felt that general money advice would be helpful and 12 per cent would welcome advice on paying, restructuring and dealing with debt problems.

Table 7.4 What advice or help non-prison interviewees felt would be useful for managing their money

<table>
<thead>
<tr>
<th></th>
<th>No. of interviewees</th>
<th>% of interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeting/money management</td>
<td>26</td>
<td>39%</td>
</tr>
<tr>
<td>Paying/restructuring/dealing with debt</td>
<td>8</td>
<td>12%</td>
</tr>
<tr>
<td>Legal issues</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>General money advice/‘anything’</td>
<td>11</td>
<td>16%</td>
</tr>
<tr>
<td>Benefits/pensions/entitlements</td>
<td>6</td>
<td>9%</td>
</tr>
<tr>
<td>Employment/business issues</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Investment/savings</td>
<td>6</td>
<td>9%</td>
</tr>
<tr>
<td>Types of bank account</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>5</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>67</strong></td>
<td><strong>100%</strong>*</td>
</tr>
</tbody>
</table>

* Individual percentages were rounded.

In order to find out whether there were any differences between financially excluded and financially included interviewees in the nature of advice or help they felt would be useful, the data was further analysed (Table 7.5 below). Numbers were relatively small, so percentages should be treated with caution. Of interest, financially excluded interviewees tended to feel that they needed general money advice or simply just ‘anything’ that could possibly help them. This could indicate that financially excluded groups are not able to say specifically what advice they need for managing their money. Effective and proactive outreach advice might help them to address their individual needs.
**Table 7.5** What advice or help financially excluded and financially included non-prison interviewees felt would be useful for managing their money

<table>
<thead>
<tr>
<th></th>
<th>Financially included</th>
<th>Financially excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeting/money management</td>
<td>18 (39%)</td>
<td>8 (38%)</td>
</tr>
<tr>
<td>Paying/restructuring/dealing with debt</td>
<td>6 (13%)</td>
<td>2 (10%)</td>
</tr>
<tr>
<td>Legal issues</td>
<td>1 (2%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>General money advice/&quot;anything&quot;</td>
<td>6 (13%)</td>
<td>5 (24%)</td>
</tr>
<tr>
<td>Benefits/pensions/entitlements</td>
<td>5 (11%)</td>
<td>1 (5%)</td>
</tr>
<tr>
<td>Employment/business issues</td>
<td>1 (2%)</td>
<td>1 (5%)</td>
</tr>
<tr>
<td>Investment/savings</td>
<td>5 (11%)</td>
<td>1 (5%)</td>
</tr>
<tr>
<td>Types of bank account</td>
<td>1 (2%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Other</td>
<td>0 (0%)</td>
<td>1 (5%)</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3 (7%)</td>
<td>2 (10%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>46 (100%)</td>
<td>21 (100%*)</td>
</tr>
</tbody>
</table>

* Individual percentages were rounded.

A number of illustrative quotes give an additional flavour of the advice and help interviewees felt would be useful. The following quote highlights the ‘hard-to-reach’ nature of some interviewees, and consequently the potential of money outreach advice reaching these types of people.

“Because I am young, I’m sometimes immature with spending (...) Never asked advice – would have to be someone I don’t know with the knowledge you need to do it.”

Another quote illustrates the link between being on benefits and having difficulties managing money. Dealing with creditors is also mentioned as an area where advice and help would be welcome:

“Any. It is difficult to manage money while on benefits. You need help on how to deal with the people you owe money to.”

Similarly, another interviewee mentions how help and advice dealing with courts and bailiffs would be useful. This interviewee is also clearly referring to the benefits of face-to-face money advice:

“Sitting down and going through it with me (...). Especially if council tax is involved, e.g. court and bailiffs.”

Highlighting a specific group that might be ‘hard-to-reach’ in terms of advice services, this interviewee talks about the financial restrictions that can cause problems for asylum seekers:

“I need financial help. £85 I receive for my three children is inadequate. I am an asylum-seeker, I am not allowed to work.”
Lastly, another interviewee described how she was a victim of domestic violence. The joint debts with her ex-partner were in her own name and she needed advice on how to deal with them. This interviewee was interviewed in a housing office, which she was visiting to ask to be re-housed. This is an example of how problems, in this case domestic violence, debt and housing issues, are often linked and cluster.\textsuperscript{130} For this reason, it is beneficial to provide outreach money advice in locations such as housing offices, where advice on other issues that are sometimes linked to debt is provided.

\textit{Advice and help needed for managing money (prison interviewees)}

Prison interviewees were also asked whether there was any advice or help they felt they needed about managing their money (in addition to any they were already getting). Twenty-three per cent felt that they needed advice or help. This compares to 16 per cent among interviewees in the non-prison outreach locations (see above). 73 per cent of prison interviewees felt they did not need advice or help, and 5 per cent did not know.\textsuperscript{131}

Those who felt they did need advice or help were then also asked the qualitative follow-up question. Thirty-one interviewees replied to this question. Some of these prison interviewees had specific suggestions on what advice would be useful for addressing debt problems, whilst others talked about more general advice on money management. Often, these two categories overlapped.

Nine interviewees talked about basic budgeting skills and advice on controlling spending and saving. One interviewee said:

\textit{“Just how to manage [money]. I don’t think about it until it’s gone and then I start worrying. I need someone to teach me how to plan ahead.”}

This quote illustrates the interconnection between the experience of debt issues and financial capability.\textsuperscript{132} Similarly, another interviewee spoke about enjoying himself when he had money and spending it. He concluded that he needed advice on managing his money to provide him with greater security and planning. Both these examples highlight how increased knowledge is conceptualised as a necessary first step in addressing challenging financial situations.

Of those prison interviewees who thought advice for specific debt issues would be useful, paying bills, freezing interests, contacting creditors, taxation, clearing a joint debt with an ex-partner, re-structuring loans and filing for bankruptcy were mentioned. Many prison interviewees said that they were concerned about interest payments and whether these could be frozen. For example, one prison interviewee was unsure how to stop interest charges. He asked whether he should have been


\textsuperscript{131} There was no significant difference between financially included and financially excluded prison interviewees, $\chi^2(2) = .98$, n.s.

allowed such a large loan and whether he would be better off declaring bankruptcy. Another interviewee referred specifically to debts in relation to his accommodation outside of prison:

“I tried to pay some of my arrears off (cleaning & breakfast at B&B) but these cannot be paid while I am in prison and they will still be there when I go out.”

Again, as demonstrated in Chapter 6, we see how housing issues are of concern to prison interviewees and are tied up with their money advice needs. The linked issues of housing, debts and benefit receipt are reflected in the following quote:

“Not sure what is happening about my flat rent, as Housing Benefit stopped. I don’t know if I will have a home to go to.”

Another interviewee talked about advice needs for a different benefit issue. He said that he would like social security to pay his incapacity benefit straight to the hostel he had been living in, so that they could take his rent out of this and pass the remainder on to him. He hoped that way he would be able to stay out of debt. However, he was not sure whether this was something he could arrange with social security.

Issues relating directly to financial exclusion were also mentioned. One prison interviewee said:

“I need an address for a bank account – with no proper address this is impossible.”

The same prison interviewee said later on in his interview, when talking about the benefits of a money advice outreach service in prison:

“You’re at the bottom (…) most people who come to prison. If you had an account and a proper address you could make progress. We cannot win without a proper address, we can do nothing.”

**Propensity to seek advice in the future (non-prison interviewees)**

All non-prison interviewees were asked whether they would consider seeking professional advice about serious money problems they might have in the future, or money problems they were currently having but had not sought advice for yet.133

As can be seen in Table 7.6, community centre interviewees tend to report a more positive attitude toward seeking professional advice about serious money problems in the future. This finding ties in with results reported at the beginning of this chapter, showing that community centre interviewees had a good awareness of local mainstream professional advice provision (solicitors and CABx). Taking both results together, it would seem that the community centre interviewees are more open to seeking professional advice, and are more likely to know where to go locally to

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133 Interviewees were also asked whether they would consider seeking advice about serious money problems in the future, or current problems for which they had not sought advice yet, from friends or family. Significance tests showed that there were significant differences between the four non-prison outreach locations, $\chi^2(6) = 13.81, p = .03$. Community centre interviewees and credit union interviewees reported being more likely to approach family and friends for advice for serious money problems than family and children centre interviewees and housing office interviewees. There was no significant difference between financially excluded and financially included interviewees, $\chi^2(2) = 1.89, n.s.$
receive professional mainstream advice than interviewees in the other outreach locations surveyed.

Credit union interviewees report the lowest percentage across all non-prison outreach location types in regard to seeking professional advice in the future. However, it should be noted that interviewees in all non-prison outreach location types report being more likely to seek professional advice than not.

Table 7.6 Would interviewees consider seeking professional advice about serious money problems in the future or current problems they have not sought advice for?

<table>
<thead>
<tr>
<th></th>
<th>Family and Children Centres</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>71%</td>
<td>76%</td>
<td>70%</td>
<td>83%</td>
</tr>
<tr>
<td>No</td>
<td>22%</td>
<td>17%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>7%</td>
<td>8%</td>
<td>14%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Interestingly, financially excluded interviewees in non-prison outreach locations appeared to be less likely to report that they would consider seeking professional advice about serious money problems in the future, or current serious money problems they had not sought advice for yet, $\chi^2(2) = 3.39, p = .07$. Out of 127 financially excluded interviewees, 99 (78 per cent) said they would consider seeking professional advice. Out of 261 financially included interviewees, 223 (85 per cent) said they would consider seeking professional advice.

It seems that financially excluded interviewees, the main target group of the LSC’s money advice outreach pilots, do require a proactive advice service that ‘reaches out’ to them. At 22 per cent, a relatively high percentage of financially excluded interviewees report that they would not seek professional advice, even if they were having serious money problems. Fifteen per cent of financially included interviewees would also not consider seeking professional advice. Even this percentage is still of concern. In both cases, these are clearly ‘hard-to-reach’ groups who could benefit from money outreach advice in locations that they are familiar with and feel comfortable using.

Interviewees who said they would not consider seeking professional advice for serious money problems were asked for reasons behind this attitude. The results help to illustrate barriers to advice-seeking.

The numbers in Table 7.7 below are small so should be viewed with some caution. However, it is noticeable that interviewees in all non-prison outreach location types cite their family as a frequent reason for not seeking ‘external’ professional advice. Some interviewees clearly see family members as a source of advice and as a source of support. For some it is also about ‘keeping it in the family’.
Table 7.7 Reasons for not considering seeking professional advice about serious money problems in the future or current problems for which advice not yet sought (number of non-prison interviewees)\textsuperscript{134}

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wouldn’t know where to go for advice</td>
<td>5</td>
</tr>
<tr>
<td>Would be worried about costs of advice</td>
<td>3</td>
</tr>
<tr>
<td>Don’t think it would make a difference</td>
<td>4</td>
</tr>
<tr>
<td>Don’t think anybody would be able to help</td>
<td>3</td>
</tr>
<tr>
<td>Wouldn’t trust people to give appropriate/independent advice</td>
<td>7</td>
</tr>
<tr>
<td>Would be too embarrassed/ashamed</td>
<td>7</td>
</tr>
<tr>
<td>Too far away</td>
<td>1</td>
</tr>
<tr>
<td>Inconvenient opening hours</td>
<td>0</td>
</tr>
<tr>
<td>Too difficult to get appointment</td>
<td>0</td>
</tr>
<tr>
<td>Would find it too difficult to get to (for other reasons)</td>
<td>2</td>
</tr>
<tr>
<td>Family as adviser/support/keep in family*</td>
<td>16</td>
</tr>
<tr>
<td>It’s personal*</td>
<td>6</td>
</tr>
<tr>
<td>No need/Won’t have financial problems*</td>
<td>11</td>
</tr>
</tbody>
</table>

**Total** 65

* These categories were derived from an ‘other (please specify)’ option.

Table 7.8 below depicts answers for non-prison interviewees, split by financially included and financially excluded groups. As can be seen, there are some interesting differences between financially excluded and included interviewees. Numbers are small, so percentages quoted in this paragraph should be viewed with some caution. Financially included interviewees who would not consider seeking professional advice are far more confident in relying on their family for support and advice in helping them deal with serious money problems (14 people; 37 per cent), than are financially excluded interviewees (3 people; 11 per cent). Financially excluded interviewees are more likely to not consider seeking advice because they are too embarrassed or ashamed compared to financially included interviewees (19 per cent vs. 5 per cent, respectively). Again, outreach advice sensitive to these feelings of shame and embarrassment has the potential to reach out to these individuals.

\textsuperscript{134} As numbers are small, only frequencies rather than percentages are reported.
Table 7.8 Reasons for not considering seeking professional advice about serious money problems in the future or current problems for which advice not yet sought (number of interviewees)\(^{135}\)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Financially included</th>
<th>Financially excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wouldn’t know where to go for advice</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Would be worried about costs of advice</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Don’t think it would make a difference</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Don’t think anybody would be able to help</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Wouldn’t trust people to give appropriate/independent advice</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Would be too embarrassed/ashamed</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Too far away</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Inconvenient opening hours</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Too difficult to get appointment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Would find it too difficult to get to (for other reasons)</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Family as adviser/support/keep in family*</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>It’s personal*</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>No need/Won’t have financial problems*</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

*These categories were derived from an ‘other (please specify)’ option.

Interviewees who said that they would consider professional advice about serious money problems in the future, or for current problems they had not sought advice for, were asked a follow-up question. In order to establish possible awareness and knowledge gaps, they were asked who or where they would go to for professional advice about these problems.

As Table 7.9 shows, CABx are a particularly popular source of potential advice: 57 per cent of the non-prison interviewees cited them as a potential source of professional advice for serious money problems in the future, or current problems for which they had not sought advice yet. Solicitors seemed very unpopular among housing office interviewees as a potential source of advice: only 1 per cent cited them as a source of potential advice, as opposed to 7 per cent of family and children centre interviewees, 9 per cent of community centre interviewees and 13 per cent of credit union interviewees. Among interviewees in family and children centres, housing offices and community centres, banks or building societies were a popular source of potential advice (26 per cent, 26 per cent and 33 per cent respectively). Not surprisingly, credit union interviewees were comparatively less likely to cite these as advice sources (only 12 per cent).

\(^{135}\) As numbers are small, only frequencies rather than percentages are reported.
Table 7.9 To whom interviewees would go for professional advice about serious money problems in the future or current problems for which they had not sought advice (number of interviewees)\textsuperscript{136}***

<table>
<thead>
<tr>
<th>Service</th>
<th>Family and Children Centres</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>A post office</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>A bank/building society</td>
<td>14</td>
<td>25</td>
<td>9</td>
<td>31</td>
</tr>
<tr>
<td>A credit union</td>
<td>0</td>
<td>3</td>
<td>22</td>
<td>5</td>
</tr>
<tr>
<td>A CAB</td>
<td>27</td>
<td>55</td>
<td>43</td>
<td>58</td>
</tr>
<tr>
<td>A money/debt advice service (e.g. National Debtline, Money Advice Trust, Consumer Credit Counselling Service)</td>
<td>7</td>
<td>7</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>A Law Centre or other advice centre</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>A housing association/housing advice service</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>A local council (other than dedicated money/housing advice service)</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>JobCentre/JobCentre Plus</td>
<td>0</td>
<td>3</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>A solicitor</td>
<td>4</td>
<td>1</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>A loan/finance company</td>
<td>5</td>
<td>0</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Generic financial/debt advice*</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Family and children centre*</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Social services/benefits services*</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Other**</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

* These categories were derived from an 'other (please specify)' option.
** The 'other' category included Age Concern, Christians Against Poverty, Connexions, local MP, court and the internet.
*** Multi-coding was allowed. 54 interviewees gave 69 responses in family and children centres. 96 interviewees gave 111 responses in housing offices. 78 interviewees gave 121 responses in credit unions. 94 interviewees gave 116 responses in community centres.

\textsuperscript{136} As numbers are small, only frequencies rather than percentages are reported.
Unsurprisingly, as Table 7.10 shows, fewer financially excluded interviewees considered banks or building societies as potential sources of advice for future serious money problems or current money problems for which they had not sought advice. While 29 per cent of financially included interviewees considered banks or building societies as potential sources of advice, only 14 per cent of financially excluded interviewees did so. While 9 per cent of financially excluded interviewees cited JobCentres as a potential source of advice for serious money problems, only 2 per cent of financially included interviewees did so. Percentages for CABx were similar, with 56 per cent of financially included interviewees citing them as a potential source for professional advice, and 60 per cent of financially excluded interviewees citing them.

Table 7.10 To whom interviewees would go for professional advice about serious money problems in the future or current problems for which they have not sought advice (number of financially excluded vs. financially included interviewees)***

<table>
<thead>
<tr>
<th>Source</th>
<th>Financially included</th>
<th>Financially excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>A post office</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>A bank/building society</td>
<td>65</td>
<td>14</td>
</tr>
<tr>
<td>A credit union</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>A Citizens Advice Bureau</td>
<td>124</td>
<td>59</td>
</tr>
<tr>
<td>A money/debt advice service (e.g. National Debtline, Money Advice Trust, Consumer Credit Counselling Service)</td>
<td>19</td>
<td>9</td>
</tr>
<tr>
<td>A Law Centre or other advice centre</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>A housing association/housing advice service</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>A local council (other than dedicated money/housing advice service)</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>JobCentre/JobCentre Plus</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>A solicitor</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>A loan/finance company</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Generic financial/debt advice*</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Family and children centre*</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Social services/benefits services*</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Other**</td>
<td>13</td>
<td>3</td>
</tr>
</tbody>
</table>

* These categories were derived from an ‘other (please specify)’ option.
** The ‘other’ category included Age Concern, Christians Against Poverty, Connexions, local MP, court and the internet.
*** Multi-coding was allowed. 223 financially included interviewees gave 289 responses, and 99 financially excluded interviewees gave 128 responses.
Propensity to seek advice in the future (prison interviewees)

The following analysis pertains to prison interviewees. It is very similar to the analysis above conducted on non-prison interviewees. However, it was suitable to separate them from the non-prison results because of subtle differences in the wording of the questions. All prison interviewees were asked whether they would consider professional advice about money problems when they were released. We were interested in attitudes towards money advice after release.

Thirty-nine per cent of prison interviewees said they would consider seeking professional advice about serious money problems when they were released. Fifty per cent said they would not, and 10 per cent said they did not know whether or not they would consider seeking professional advice.\(^{137}\)

Those who said they would not consider seeking professional advice for money problems after release were asked for reasons why not. These results are shown in Table 7.11 below.

**Table 7.11 Reasons prison interviewees would not consider seeking professional advice about serious money problems after release from prison (number of interviewees)**

<table>
<thead>
<tr>
<th>Reason</th>
<th>No. of prison interviewees</th>
<th>Percentage of prison interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wouldn't know where to go for advice</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Would be worried about costs of advice</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Don't think it would make a difference</td>
<td>10</td>
<td>15%</td>
</tr>
<tr>
<td>Don’t think anybody would be able to help</td>
<td>4</td>
<td>6%</td>
</tr>
<tr>
<td>Wouldn’t trust people to give appropriate/independent advice</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Would be too embarrassed/ashamed</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Too far away</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Inconvenient opening hours</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Too difficult to get appointment</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Would find it too difficult to get to (for other reasons)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Family as adviser/support/keep in family*</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>It’s personal*</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>No need/Won’t have financial problems*</td>
<td>35</td>
<td>52%</td>
</tr>
<tr>
<td>Long sentence/Not acute issue*</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Other**</td>
<td>4</td>
<td>6%</td>
</tr>
</tbody>
</table>

* These categories were derived from an ‘other (please specify)’ option.

** The ‘other’ category consisted of: ‘too lazy’, ‘it’s not the main thing – it’s employment I need advice on’, and ‘no one could give financial advice to pay off drug dealers’.

*** Multi-coding was allowed.

As Table 7.12 shows, a number of prison interviewees felt that seeking professional advice would not make a difference and gave this as a reason for not seeking

\(^{137}\) There was no difference between financially excluded and included prison interviewees, \(\chi^2(3) = 3.21,\ n.s.\)
professional advice (15 per cent). Of interest is also that a very high number of prison interviewees said that they did not envisage having financial problems upon release (52 per cent).

Those prison interviewees who would consider seeking professional advice after release were asked who or where they would go to for this professional advice (Table 7.12 below). As can be seen, a high number of prison interviewees would go to a CAB (25 interviewees). This is followed by a bank or building society (12 interviewees), and a money/debt advice service, JobCentre and a solicitor (6 interviewees each).

Table 7.12 To whom prison interviewees would go for professional advice after release***

<table>
<thead>
<tr>
<th>No. of prison interviewees</th>
<th>Percentage of prison interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
<td>2 4%</td>
</tr>
<tr>
<td>A post office</td>
<td>1 2%</td>
</tr>
<tr>
<td>A bank/building society</td>
<td>12 23%</td>
</tr>
<tr>
<td>A credit union</td>
<td>2 4%</td>
</tr>
<tr>
<td>A Citizens Advice Bureau</td>
<td>25 48%</td>
</tr>
<tr>
<td>A money/debt advice service (e.g. National Debtline, Money Advice Trust, Consumer Credit Counselling Service)</td>
<td>6 12%</td>
</tr>
<tr>
<td>A Law Centre or other advice centre</td>
<td>1 2%</td>
</tr>
<tr>
<td>A housing association/housing advice service</td>
<td>0 0%</td>
</tr>
<tr>
<td>A local council (other than dedicated money/housing advice service)</td>
<td>1 2%</td>
</tr>
<tr>
<td>JobCentre/JobCentre Plus</td>
<td>6 12%</td>
</tr>
<tr>
<td>A solicitor</td>
<td>6 12%</td>
</tr>
<tr>
<td>A loan/finance company</td>
<td>4 8%</td>
</tr>
<tr>
<td>Generic financial/debt advice*</td>
<td>2 4%</td>
</tr>
<tr>
<td>Family*</td>
<td>4 8%</td>
</tr>
<tr>
<td>Probation officer*</td>
<td>2 4%</td>
</tr>
<tr>
<td>Other**</td>
<td>4 8%</td>
</tr>
</tbody>
</table>

* These categories were derived from an ‘other (please specify)’ option.
** The ‘other’ category included ‘college course – short course on managing money’, ‘Amber – a West Country charity, ‘it depends on what the problem is’, and ‘mobile phone company’.
*** Multi-coding was possible. Fifty-two interviewees gave 78 responses to this question.

Comparing financially included and financially excluded prison interviewees, there was, not surprisingly, a tendency for financially included interviewees to consider bank or building societies more often: while 40 per cent of financially included interviewees considered bank or building societies, only 16 per cent of financially excluded prison interviewees did so. This is a similar finding to the result for non-prison interviewees; financially included non-prison interviewees also considered

\[ \chi^2(3) = 3.40, p = .06. \]
bank or building societies more often than financially excluded non-prison interviewees.

Also similar to non-prison interview findings, financially excluded prison interviewees tended to be more likely to consider JobCentres as a potential source of professional advice: while 16 per cent of financially excluded interviewees considered JobCentres, no financially included interviewees did so.139 These numbers point to higher levels of unemployment among financially excluded interviewees in both prison and non-prison locations surveyed than among financially included interviewees.

Further, a higher number of financially included prison interviewees considered a loan or finance company as a professional source of advice for their problems after release: while 20 percent of financially included interviewees considered loan or finance companies, only 3 per cent of financially excluded interviewees did so.140

Preferences for advice receipt (non-prison interviewees)

Interviewees were also asked about their preferences in regard to how they would like to receive professional advice about managing their money. Table 7.13 below depicts this by non-prison outreach location type. As can be seen, most interviewees would prefer to receive advice in person. This preference is also reflected in the earlier finding that most advice interviewees had received at the time of the interview had been face-to-face.

However, there are some differences, with a higher percentage of interviewees in housing offices and community centres saying they would like to receive advice face-to-face. Interestingly, interviewees in family and children centres surveyed report more frequently than interviewees in other outreach location types that they would like to receive advice over the telephone. Credit union interviewees have the highest percentage of interviewees who would like to receive advice in writing.

139 \( \chi^2(1) = 2.75, p = .10. \)
140 \( \chi^2(1) = 4.50, p = .03. \)
Table 7.13 In general, how would interviewees prefer to receive professional advice about managing their money – over the telephone, in writing, in person or in some other way?

<table>
<thead>
<tr>
<th></th>
<th>Family and Children Centre</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over the telephone</td>
<td>6 (12%)</td>
<td>1 (1%)</td>
<td>6 (8%)</td>
<td>1 (1%)</td>
</tr>
<tr>
<td>In writing</td>
<td>3 (6%)</td>
<td>3 (3%)</td>
<td>8 (11%)</td>
<td>3 (4%)</td>
</tr>
<tr>
<td>In person</td>
<td>39 (80%)</td>
<td>81 (91%)</td>
<td>59 (79%)</td>
<td>78 (91%)</td>
</tr>
<tr>
<td>Don’t mind/no preference</td>
<td>1 (2%)</td>
<td>4 (5%)</td>
<td>1 (1%)</td>
<td>3 (4%)</td>
</tr>
<tr>
<td>Don’t know</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>1 (1%)</td>
<td>1 (1%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>49 (100%)</strong></td>
<td><strong>89 (100%)</strong></td>
<td><strong>75 (100%)</strong></td>
<td><strong>86 (100%)</strong></td>
</tr>
</tbody>
</table>

Table 7.14 below shows answers to the same question, split by financially included and financially excluded groups. There are significant differences, $\chi^2(4) = 11.45$, $p = .02$. Financially excluded interviewees are less likely to prefer face-to-face advice, and more likely to prefer advice in writing. Arguably, financially excluded groups may prefer a more anonymised and less directly people-focused way of receiving advice in sensitive matters, such as serious money problems. They may also feel that receiving advice in writing might be clearer, and enable them to refer back to advice and instructions more easily than verbal advice. However, despite these findings, the great majority of financially excluded interviewees still prefer advice in person.

Table 7.14 In general, how interviewees would prefer to receive professional advice about managing their money

<table>
<thead>
<tr>
<th></th>
<th>Financially included</th>
<th>Financially excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over the telephone</td>
<td>9 (5%)</td>
<td>5 (5%)</td>
</tr>
<tr>
<td>In writing</td>
<td>7 (4%)</td>
<td>10 (10%)</td>
</tr>
<tr>
<td>In person</td>
<td>181 (90%)</td>
<td>76 (78%)</td>
</tr>
<tr>
<td>Don’t mind/no preference</td>
<td>3 (2%)</td>
<td>6 (6%)</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1 (1%)</td>
<td>1 (1%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>201 (100%)</strong></td>
<td><strong>98 (100%)</strong></td>
</tr>
</tbody>
</table>
Preferences for advice receipt (prison interviewees)

Prison interviewees were also asked how they would prefer to receive professional advice about managing their money outside of prison – over the telephone, in writing, in person, or in some other way (see Table 7.15 below). Interviewees were only allowed to provide one answer. Not surprisingly, most interviewees would like to receive the advice in person. Although there were slight differences in preferences between financially included and financially excluded prisoners, they were not significant enough to report.

Table 7.15 In general, outside of prison, how interviewees would prefer to receive professional advice about managing their money

<table>
<thead>
<tr>
<th>Preference</th>
<th>No. of prison interviewees</th>
<th>Percentage of prison interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over the telephone</td>
<td>2</td>
<td>4%</td>
</tr>
<tr>
<td>In writing</td>
<td>4</td>
<td>8%</td>
</tr>
<tr>
<td>In person</td>
<td>40</td>
<td>80%</td>
</tr>
<tr>
<td>Don’t mind/no preference</td>
<td>4</td>
<td>8%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total of prison interviewees</strong></td>
<td><strong>50</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
8. Propensity to Use and Attitudes towards Money Advice Outreach

8.1 Overview

This chapter explores in detail interviewees’ attitudes towards money advice outreach, both specific to the locations they were interviewed in and in general. It includes a discussion on the propensity of interviewees to make use of the money advice outreach pilots. In locations in which the pilots were already up-and-running at the time of the interviews, results are presented on whether interviewees used the services, and if so whether they found the advice helpful.

This chapter also discusses interviewees’ preferences for the location, nature and (in the case of prison interviewees) preferred timing of money outreach advice. This information in particular is of interest for the development of the pilot scheme.

Results are split, as in previous chapters, by outreach location type. We also pay particular attention to the views of the financially excluded group.

8.2 Perceptions of Interviewees: Are the Outreach Locations Surveyed Good Places for the Money Advice Outreach Pilots?

All interviewees were asked whether the location they were in was a good place to offer an outreach money advice service. As Table 8.1 shows, interviewees in all five outreach location types overwhelmingly thought that the location in question was a good place for money advice outreach services. However, there were differences across location types. Interviewees in the family and children centres surveyed seemed slightly less positive about these centres being the right place for money advice outreach (although even among this group, 80 per cent still thought they were a good place). This finding ties in with other results of this research, indicating that family and children centres might be a more challenging location for setting up money advice outreach services compared to other types of outreach locations (see also Chapter 9).

Of interest too, prison interviewees seemed more unsure (14 per cent) than other outreach location interviewees about whether prisons would be a good place to offer money outreach advice. This is perhaps surprising given the high incidence of money problems and financial exclusion among prisoners, as shown in previous chapters.
Table 8.1 Whether interviewees think the location in which they were questioned is a good place for the money advice outreach pilots

<table>
<thead>
<tr>
<th></th>
<th>Family and Children Centre</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
<th>Prison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes – a good place</td>
<td>62 (80%)</td>
<td>108 (86%)</td>
<td>102 (92%)</td>
<td>99 (87%)</td>
<td>109 (82%)</td>
</tr>
<tr>
<td>No – not a good place</td>
<td>4 (5%)</td>
<td>3 (2%)</td>
<td>2 (2%)</td>
<td>2 (2%)</td>
<td>5 (4%)</td>
</tr>
<tr>
<td>Don’t know</td>
<td>10 (13%)</td>
<td>15 (12%)</td>
<td>7 (6%)</td>
<td>13 (12%)</td>
<td>18 (14%)</td>
</tr>
</tbody>
</table>

8.3 Perceptions of Interviewees: Qualitative Findings on the Value of Money Advice in Outreach Locations Surveyed

It was important to ascertain the extent to which interviewees felt that the location in which they were interviewed was a useful and feasible place for a money advice outreach service. All interviewees were therefore asked a qualitative question to find out why, or why not, they believed that a money advice outreach pilot would be a good service to have in the location.

The analyses of the answers to this open-ended question are presented below, first for non-prison interviewees and then for prison interviewees. For non-prison interviewees, the qualitative answers were also re-coded for quantitative analysis.

Interviewees in family and children centres, housing offices, credit unions and community centres

Table 8.2 shows the re-coded qualitative answers for the 411 interviewees who answered this question in the four non-prison outreach location types. In order to show the results in a table, LSRC researchers systematically sifted and sorted the verbatim material according to key issues and themes. These issues and themes are presented in the far left column of Table 8.2.

As can be seen, the most frequent reason interviewees cited for their location being a good place for a money advice outreach service was that the location was accessible. A high percentage of interviewees (an average of 37 per cent across all non-prison outreach locations) felt that the location they were in was accessible and convenient. Of the four non-prison outreach location types, interviewees at housing offices mentioned accessibility particularly often: 50 per cent of housing office interviewees said that their housing office was a good place to establish a money advice outreach pilot because it was convenient, local and central. As shown in Chapter 4, housing offices were the least frequently visited outreach location type. However, although interviewees in housing offices did not report visiting the location as frequently as interviewees in family and children centres, credit unions and community centres, they clearly still felt that their housing office was easy to reach.
Interviewees in the four outreach location types also often mentioned that their location would be a good place for money advice outreach because it was visited by people who experienced deprivation and financial problems. For example, 23 per cent of interviewees in community centres felt that this was a reason for their community centre being a good place for the pilot.

Other repeatedly cited reasons were that the locations were well-frequented and busy, that they would offer privacy and confidentiality, and fitted well with other advice services already offered at the location. The full list is set out in Table 8.2 below. As can be seen, there are some differences between outreach location types. For example, interviewees in the credit unions surveyed felt that a money advice outreach pilot would fit particularly well with other services already provided there.

The last nine rows of Table 8.2 describe why a minority of interviewees felt that the location they were interviewed in was a bad place for money advice outreach services.

**Table 8.2 Reasons for interviewees thinking the location in which they were interviewed is a good or bad place for the money advice outreach pilots**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Family and Children Centre</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility: convenient/local/central location</td>
<td>27%</td>
<td>50%</td>
<td>28%</td>
<td>42%</td>
</tr>
<tr>
<td>Centre visited by/located in an area with people suffering from deprivation/financial problems/unemployment etc.</td>
<td>10%</td>
<td>7%</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td>Young people/students use the centre and are likely to need financial help</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Families/lone parents use the centre and are likely to need financial help</td>
<td>21%</td>
<td>0%</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>Centre visited by a broad range of people in terms of age/nationality/background so advice will be available to a good cross-section of the community in that location</td>
<td>1%</td>
<td>0%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Informal/relaxed/friendly/helpful/personal/secure/non-intimidating location</td>
<td>18%</td>
<td>4%</td>
<td>14%</td>
<td>22%</td>
</tr>
<tr>
<td>Familiar location – know people already/where to go</td>
<td>8%</td>
<td>5%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Busy/well frequented location – people come for a variety of other activities and so could also receive advice whilst they’re there</td>
<td>5%</td>
<td>6%</td>
<td>8%</td>
<td>20%</td>
</tr>
<tr>
<td>Nowhere else locally to go for advice/no local CAB/better than local CAB</td>
<td>3%</td>
<td>4%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Discreet place to receive advice because people don’t necessarily know you’re visiting for financial advice</td>
<td>3%</td>
<td>1%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Private/quiet/confidential place</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
<td>11%</td>
</tr>
<tr>
<td>Can bring children whilst also receiving advice</td>
<td>5%</td>
<td>1%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Can come in for a coffee/visit the cafe and receive advice at the same time</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>Benefits of a drop-in centre: can see people straight away for advice rather than having to wait/having to have people visit your home</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>Fits well with other advice services: advice</td>
<td>4%</td>
<td>7%</td>
<td>14%</td>
<td>2%</td>
</tr>
</tbody>
</table>
services for other matters (employment, health, setting up a business etc.) are established at the location already so it makes sense to add money advice to the range of services available – people already visit for advice

Fits well with things people need to do at that location – people go there to pay rent/deal with arrears/find jobs and these are the people who are likely to have money problems

Because financial advice would help with my problems

Benefit of financial advice

Generic – ‘it’s just a good place’

Generic – ‘because people will use it/people will come here’

Benefit of free financial advice

People trust the advice delivered at that location/think it is of professional quality

Don’t know

A good place for the service but it would need to be well advertised

Not enough privacy

Stigma/embarrassment regarding financial advice

Not needed by people at the centre

Not a convenient location

Will lower the tone of the centre

Want to get away from everyday stresses at this location - recommends JobCentre

Would be better if it was provided on their own premises

Too many distractions

Analysis was also conducted on financially excluded and financially included non-prison interviewees. Interestingly, financially excluded interviewees mentioned the issue of trust and the professional quality of advice more often than did financially included non-prison interviewees, $\chi^2(1) = 7.36, p = .007$. Ten per cent of financially excluded interviewees said that people would trust the advice delivered in the outreach location surveyed, while only 3 per cent of financially included interviewees mentioned this. It highlights the emphasis financially excluded citizens put on money advice being trustworthy and professional.\(^{141}\)

As can be seen in Table 8.2 above, there is a wide range of reasons why interviewees felt that their location was a good place for money advice outreach services. A number of quotes and further interpretation of the qualitative results add depth to the summary results presented in the table.

Many interviewees said that the location would be ideal as a lot of people in its locality would benefit from money advice. Interviewees talked about the community being deprived. For example, one interviewee in a community centre said:

\(^{141}\) For all other statements, there were no significant differences between financially excluded and financially included non-prison interviewees.
“Because it is very much needed round here. Socially deprived area. People have big problems paying their bills and commitments.”

Interviewees also mentioned that many people in the local area were unemployed and therefore in need of money advice. Money advice was further seen as important for young people and families, especially one-parent families, visiting the outreach locations. They were often perceived by the interviewees to be especially vulnerable to financial difficulties.

A common theme in interviewees’ responses concerned the benefit of multiple advice services in the same location. An interviewee in a community centre stated that:

“Because it is community based, there should be this kind of service available. This would be suited as a mini ‘one service stop’.”

Another person acknowledged the link between housing problems and debt and praised the pilots for providing financial advice in a housing office.

Linked to this issue is the fact that many of the outreach locations had obviously already built up a reputation for providing good quality, professional advice. As a result various interviewees said that they would trust any advice that they received from services in that location. For example, an interviewee in a housing office said:

“Because it’s a professional establishment, people would know what they are talking about and people would trust the advice they gave.”

Similarly, another interviewee felt that the location, in their case a credit union, was a good place for money advice because advisers situated there had helped them in the past:

“I know a lot of people who come up here, they have helped them out, and me, a lot. It is the right place.”

The evident trust these interviewees place in the outreach locations comes with responsibility for money advice outreach advisers – to offer high quality advice in order not to disappoint or mislead advice-seekers.

Several interviewees also talked about the familiarity of their locations, along with the friendly, relaxed atmosphere there (in perceived contrast to mainstream money/debt advice locations). An interviewee in a children and family centre said:

“The environment is much more friendly and laid back and the children have somewhere to play whilst discussing budgeting.”

As illustrated in Table 8.2 above, many interviewees mentioned that the location was good because it was local, easy to get to and did not involve any transport costs. As one interviewee in a family and children centre said:

“People like myself have no money to shell out for transport.”

Another interviewee, in a credit union, said:

“The location is central. It’s easy to find. They have done good market research.”
The lack of other sources of money advice in the locality was also mentioned frequently as a reason why money advice services were a good thing to have in the outreach location. It is interesting to put the next two quotes in context, though: as shown in Chapter 7, many interviewees did have good geographical access to local mainstream advice, but were not aware of this.

One interviewee, in a community centre, said:

“Because there is nowhere else in [town] that offers this. Here it is friendly and relaxed. There would be no intimidation.”

The above quote also demonstrates the importance of feeling confident and not intimidated when seeking advice. Another interviewee, in a credit union, said:

“No local CAB and you have to ring up for an appointment, you can’t just walk in off the street like you used.”

This quote also highlights the positives of drop-in advice services, which was mentioned by a number of other interviewees.

The issue of privacy whilst discussing money matters came up as both a positive and a negative. Interviewees felt that money advice services in the outreach locations would be a good idea as long as there was a private room or area to discuss matters. The importance, and occasional logistical difficulty, in achieving this is also highlighted in Chapter 9.

The anonymity provided by locating money advice in centres that would not usually be associated with it, and which people visit for a variety of different purposes, was mentioned as a positive by several interviewees. For example:

“Because it is a community centre, and all kinds of people are coming in, it would be better to walk in here than walk into a debt advice centre. You would not stand out as much.”

A few interviewees thought that money advice services in their location would be a good idea, but that appropriate advertising was crucial in order to make potential users aware of the service. An interviewee interviewed in a housing office said:

“It’s a drop-in centre, but it needs to be very well promoted. Lots of low earners do come here, but there is stigma attached to debt.”

Although only 3 per cent of interviewees gave negative responses to the question of whether money advice in their location was a good idea, these responses were illuminating with regards to the reasons why people would not use or would be hostile to the money advice outreach pilots.

In contrast to the interviewees quoted above, one interviewee in a housing office did not view the fact that various different advice services were located in the same place as a good thing:

“It’s all contained in the same place, so people might feel it’s like ‘Big Brother’ watching you.”

Another felt that money advice in their family and children centre would represent an unwelcome intrusion by the real world – and its problems – into time they spend
trying to escape it. This quote illustrates the fact that people visit the outreach locations for different purposes, not all of which they view as compatible with receiving money advice:

“I think the Jobcentre would be a better place, as I come to the [family and children] centre to get away from everyday stresses, and not to be confronted by them. No, I think advice at a place like this is unexpected, but not in a good way.”

Finally, one interviewee was very opposed to the provision of money advice services in their community centre. Their response, isolated as it is, highlights the hostility that is sometimes exhibited towards people who might need money advice. This quote exemplifies why some individuals may feel too ashamed or embarrassed to seek advice for their money problems. Although only one interviewee expressed such a negative attitude, the quote also highlights some of the difficulties involved in establishing money advice services in non-dedicated locations:

“It is not needed. People come here freely and it will lower the standard. It should be kept to specific places. I would not come here if that were there.”

Interviewees in prison

Prison interviewees were asked whether they thought prisons were a good place for money advice outreach services. The vast majority of the 116 interviewees who answered this question thought prisons were a good place for this type of service. Only 11 expressed negative views.

The qualitative responses can be broadly categorised into four positive themes. First, a high number of prison interviewees mentioned that many prisoners had debt problems and really needed advice on debts and on how to deal with bills whilst in prison. For example, one interviewee said:

“Most of the people here are in debt. It is a worry to many prisoners.”

Similarly, another interviewee thought:

“A lot of people here are in debt. Some are slow on the up-take and don’t realise the debt will continue and mount up whilst they’re inside. They need help, for example, how to get [interest] frozen until they get back on their feet again, and dealing with bankruptcy.”

Yet another interviewee spoke about the difficult situation faced by prisoners with longer-term sentences of several years or more. Although he himself was only in prison for five weeks, he felt strongly that a system should be in place for representatives to negotiate with creditors on the prisoners’ behalf to ensure that their debts are still manageable once they leave prison.

Second, many prison interviewees mentioned that advice in prison on money issues was necessary for its general money management benefits. One interviewee suggested that:

“A lot of people here are not stable in life. They need advice on how to keep their money and spend it wisely. It will give them stability and security for the future, rather than spending it on drugs and things. They’ll do better in life.”
Another prison interviewee took a slightly different but related angle. He clearly felt strongly about the benefits of independent advice. His comments suggest that this was not available with regard to money problems in his prison at the time of the interview:

“It would take a burden off people here. And be a chance for people to say ‘I can sort things out’. A chance to speak to independent people to help sort out their problems, not the officers.”

The above quote also highlights the potential of money advice in prisons making prisoners feel empowered and more confident about being able to ‘sort things out’ themselves.

A third theme related to the timing of the money advice: a number of prison interviewees said that advice was especially beneficial during a prison sentence. Many viewed their prison sentence as a time to reflect and to gain the necessary skills to deal with their lives more successfully on the ‘outside’. Although interviewees were asked about money advice, it was clear from some of the quotes that a broad range of advice services were welcomed by the prisoners interviewed. For example, one interviewee said:

“Because this is where you think about things more. This is a chance to sort out your life. There is time to stop and think, especially for the young ones.”

More specifically, on the benefits of money advice whilst in prison, another interviewee stated that:

“In prison there is more time to understand it. Outside you can easily miss appointments. If sorted in prison, there are less problems on release.”

These quotes illustrate the potential of advice services in prisons to reduce problem experience, and also re-offending when released. Nine interviewees specifically mentioned the impact that money advice could have on helping prisoners not to resort to criminal activity post-release. One interviewee said:

“It’s a very good place. The people here have done crime for money. If they had better advice – on budgeting, saving – this would stop the crime.”

Another interviewee also clearly felt strongly about the effects of debt and the potential of money advice in prison. He thought that prisons were ‘obviously’ a good place for money advice:

“Obviously. A lot of people are in here because of debt problems – they do crime to clear the debt. So this is a good place [for advice].”

Finally, a small number of prison interviewees made specific reference to the positive impact that money advice could have on their housing situation outside of prison. This ties in with the qualitative findings on prison interviewees presented in Chapter 6, where it was shown how housing issues are of concern to prison interviewees, and are often tied up with their money advice needs. For example, one interviewee said:

“They will be able to help everyone here. It’s important to be able to keep your home to return to.”
The very small number of prison interviewees who commented negatively about prisons being a good place for money advice mentioned a range of different points. Some simply said that there was no need for such a service as they did not have any money whilst in prison or were not in debt, or thought prisoners would not listen to the advice or would not use the service. One interviewee mentioned that he did not want other people to know ‘my business’. Two interviewees said that they could already get free advice. One interviewee mentioned:

“Money is the last thing on people’s minds. Owing some company some money is the last thing they’ll think about.”

This quote of course contradicts what many of the other prison interviewees thought, i.e. that prison in particular was a good place to think about these issues. The quote above highlights that among some prisoners awareness of, and personal capacity to confront, money and debt problems might be low.

8.4 Use of money advice outreach services

As described in Chapter 2, 131 interviewees in non-prison outreach locations were interviewed in a location where a money advice outreach pilot was up and running at the time of interview. This represents 31 per cent of interviewees in non-prison outreach locations. Where the pilots were up and running, albeit at a very early stage, interviewees were asked whether or not they had used the service.

Twenty per cent of credit union interviewees (10 people) reported having used the service. None of the other interviewees reported making use of the money advice outreach pilots at the time of the interview. However, given that the pilots had only been up and running for a very short while, this is not surprising.

Of the 10 credit union interviewees, there was no difference between financially included and financially excluded interviewees. These 10 interviewees were also asked how useful they found this service. Nine interviewees said they found it very useful. One interviewee did not find it at all useful.

The interviewees who said they found the advice useful gave a number of reasons why they rated the advice positively. This included: “It was friendly – handy and I trust them and can relax”; “It’s local and easy to get to – he read the small print and helped us a great deal”; “Saves trailing to town – I only live local it’s easy to come here – feel good about coming here”; “The information given was clear and concise”; “Where they sent me I was advised on how to organise a payment scheme to the people I owed debt to. My water bill was cleared”. These short quotes illustrate how interviewees associate the outreach location with convenience, and with feeling relaxed and at ease. This confirms the findings set out at the beginning of this chapter.

Three per cent of the prison interviewees (4 people) reported that the money advice outreach pilots were up and running in their prison. Three of these 4 had used the service. Two of the 3 prison interviewees found it very useful; one said it was “quite helpful to talk to other people”; another interviewee said it “stops you thinking about it”. The third interviewee who had used the pilot service found it fairly useful; he said that it “stops you worrying about it”. Although the numbers are of course too small for meaningful conclusions, the quotes nevertheless suggest that the money advice provided contributed to some ‘peace of mind’.
8.5 Propensity to use the money advice outreach pilots in the future

People who were interviewed in locations in which the money advice outreach pilots were not up and running, were asked how likely it would be that they would use the pilot service, should they have money problems.

There was no significant difference among the four non-prison interviewee groups in terms of their propensity to use the money advice outreach service. On average, 43 per cent of interviewees said it was very likely that they would use the new service if they had money problems in the future, or already had problems at the time of the interview but had not sought advice yet. Thirty-nine per cent said it was fairly likely, only 3 per cent said it was fairly unlikely, and 5 per cent said it was very unlikely that they would use the service. This means that a high 82 per cent of interviewees said they were either very likely or fairly likely to utilise the advice due to be provided under the pilots if they had money problems.¹⁴²

Prison interviewees were asked the same question. Thirty-six per cent said it was very likely that they would use the new service if they had any problems in the future, or were having problems at the time of the interview but had not sought advice yet. Twenty-five per cent said it was fairly likely, 8 per cent said it was fairly unlikely and a high 20 per cent said it was very unlikely that they would use the pilot service.

Compared to non-prison interviewees, it is noticeable that a higher percentage of prison interviewees asserted that they would not use the new money advice outreach service.¹⁴³ This is surprising, as the findings presented throughout this report demonstrate that many prisoners are likely to need money advice. One explanation could be that persistent personal barriers result in prisoners not wanting to seek advice, or at least not wanting to appear to consider advice. Another explanation for the high percentage of prisoners saying that they would be very unlikely to use the money advice outreach pilots if they had money problems could be that many simply cannot imagine having financial difficulties. This hypothesis is confirmed by results below, with a high percentage of prison interviewees stating that they did not anticipate having money problems.

If interviewees said they were fairly or very unlikely to use the money advice outreach pilots, they were asked a follow-up question as to why they would not use the advice on offer.

Twenty-eight per cent of non-prison interviewees (30 people) said they would be fairly or very unlikely to use the service. The majority (53 per cent) of these individuals reported this was because they did not anticipate having money problems in the future and would not need such a service. The remainder of responses consisted of a range of replies. Two interviewees said that they did not think the service would make any difference and two reported embarrassment issues. Illustrating again (see Chapter 7) that for some interviewees the family is the main port of call for money advice, five said they would prefer support and advice from family members. A further five interviewees thought they could sort their money problems out themselves, saying that “I can fix it myself” or “I prefer to sort my own problems out”. The remaining four interviewees gave a range of other responses.

¹⁴² There was no significant difference between financially included and financially excluded interviewees in their propensity to use the money advice outreach pilots, $F (1, 327) = 1.18$, n.s.
¹⁴³ There was no significant difference between financially included and financially excluded prison interviewees in their propensity to use the new money advice outreach service, $F (1, 112) = 2.18$, n.s.
ranging from: “Don’t come here often enough” to “I’d wait to see if it got better” and “Have a bank manager”.

Prison interviewees were asked the same question, but were given fixed statements that they could check if true. Out of 36 interviewees who replied, 22 (61 per cent) felt they would not have any money problems and would not need any advice. This finding could partly explain why so many prison interviewees felt that they would be very unlikely to use the money advice outreach pilot (see above) – they simply believe they are unlikely to have money problems. Six interviewees (17 per cent) felt it would not make a difference. Again, support and advice from the family was mentioned, with 4 prison interviewees providing this as a reason for not using the money advice outreach service. The answers given illustrate different reasons for using family as ‘advisers’: “Parents will deal with debts”, “My girlfriend is competent”, “My brother works in a bank and I would go to him for advice” and “I would get advice from family, would not wash my linen in public”. Another interviewee felt he could sort his money problems out by himself. Four interviewees were leaving prison soon and therefore felt the service would be of no use to them. Two interviewees made general comments about their prison situations.144

8.6 Money Advice Outreach Services: Interviewees’ Preferences for Delivery

Interviewees were asked a number of questions about how they would like to receive money advice in the location where they were interviewed. First, results are presented on different ways of receiving advice. Second, the nature and timing of the advice or support that interviewees would like to see provided is discussed. Lastly, additional results on a range of locations in which interviewees would prefer to receive outreach advice are presented.

Ways of receiving advice

Interviewees who said it was very or fairly likely that they would use the money advice outreach pilots were asked which of a range of arrangements would suit them best. As Table 8.3 below shows, most people would prefer to receive advice straightaway at the centre from an adviser. The second most popular option for non-prison interviewees was to get some general information from the centre first, and then come back at a later date for more detailed face-to-face advice.

144 These were: “Never going to be released” and “Prison has done me no good at all – got nothing out of it. I feel I have to wait for months for anything”.
Table 8.3 If interviewees were to use the new service, which arrangement would suit them best

<table>
<thead>
<tr>
<th>Family and Children Centre</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving advice straightaway at this centre from an adviser</td>
<td>23 (44%)</td>
<td>44 (48%)</td>
<td>35 (48%)</td>
</tr>
<tr>
<td>Getting some general information here first and then coming back at a later date for more detailed face-to-face advice</td>
<td>21 (40%)</td>
<td>27 (30%)</td>
<td>28 (38%)</td>
</tr>
<tr>
<td>Getting some general information here first and then receiving face-to-face advice at another advice centre in your local area</td>
<td>2 (4%)</td>
<td>12 (13%)</td>
<td>5 (7%)</td>
</tr>
<tr>
<td>Getting some general information here first and then receiving advice over the telephone at a later date</td>
<td>0 (0%)</td>
<td>2 (2%)</td>
<td>1 (1%)</td>
</tr>
<tr>
<td>Don't mind/no preference</td>
<td>5 (10%)</td>
<td>4 (4%)</td>
<td>2 (3%)</td>
</tr>
</tbody>
</table>

Prison interviewees were also asked about their preferred arrangements. Given the limitations of prison life, answer options were slightly different from those for non-prison interviewees. As Table 8.4 shows, the majority of prison interviewees would like to receive advice straightaway at the prison from an adviser. Compared to non-prison interviewees, a much smaller percentage of prison interviewees say that they would first like to get some general information and then come back at a later stage for more detailed face-to-face advice.

Table 8.4 If interviewees were to use the new service, which arrangement would suit them best

<table>
<thead>
<tr>
<th>No. of prison interviewees</th>
<th>Percentage of prison interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving advice straightaway at this prison from an adviser</td>
<td>39</td>
</tr>
<tr>
<td>Getting some general information here first and then coming back at a later date for more detailed face-to-face advice</td>
<td>14</td>
</tr>
<tr>
<td>Getting some general information here first and then receiving face-to-face advice at another advice centre on release</td>
<td>10</td>
</tr>
<tr>
<td>Getting some general information here first and then receiving advice over the telephone at a later date</td>
<td>3</td>
</tr>
<tr>
<td>Don't mind/no preference</td>
<td>7</td>
</tr>
</tbody>
</table>
Nature and timing of advice

Interviewees who said they would be very or fairly likely to use the new money advice outreach service were asked what kind of advice or support they thought they would want from the new service.


There were some differences across the four outreach location types. For example, a high percentage of housing office interviewees specified that they would like advice on how to get out of debt (68 per cent compared to 54 per cent of community centre interviewees, 49 per cent of credit union interviewees and 48 per cent of family and children centre interviewees, $\chi^2(3) = 8.29, p = .04$. 

\[145\]
Table 8.5 Type of advice and support interviewees would like from the money advice outreach pilots*

<table>
<thead>
<tr>
<th>Type of Advice</th>
<th>Family and Children Centre</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional support – e.g. counselling, someone to talk to and share your problems with</td>
<td>22 (42%)</td>
<td>38 (42%)</td>
<td>27 (37%)</td>
<td>30 (36%)</td>
</tr>
<tr>
<td>Practical advice on money management and budgeting</td>
<td>38 (73%)</td>
<td>49 (54%)</td>
<td>41 (55%)</td>
<td>46 (55%)</td>
</tr>
<tr>
<td>Advice on things like credit agreements and how interest rates on loans and credit cards work</td>
<td>13 (25%)</td>
<td>26 (29%)</td>
<td>21 (29%)</td>
<td>26 (31%)</td>
</tr>
<tr>
<td>Advice on how to get out of debt</td>
<td>25 (48%)</td>
<td>62 (68%)</td>
<td>36 (49%)</td>
<td>45 (54%)</td>
</tr>
<tr>
<td>Contact details for services that might be able to help you further</td>
<td>20 (39%)</td>
<td>37 (41%)</td>
<td>15 (21%)</td>
<td>24 (29%)</td>
</tr>
<tr>
<td>Advice on dealing with people or organisations to whom you owe money</td>
<td>12 (23%)</td>
<td>36 (40%)</td>
<td>28 (38%)</td>
<td>34 (41%)</td>
</tr>
<tr>
<td>Help with paperwork/correspondence/writing letters</td>
<td>12 (23%)</td>
<td>32 (35%)</td>
<td>26 (36%)</td>
<td>37 (44%)</td>
</tr>
<tr>
<td>Someone to contact the people or organisations to whom you owe money on your behalf</td>
<td>11 (21%)</td>
<td>31 (34%)</td>
<td>24 (33%)</td>
<td>32 (38%)</td>
</tr>
<tr>
<td>Advice about going to court</td>
<td>5 (10%)</td>
<td>20 (22%)</td>
<td>15 (21%)</td>
<td>20 (24%)</td>
</tr>
<tr>
<td>Advice about your legal position</td>
<td>16 (31%)</td>
<td>29 (32%)</td>
<td>31 (43%)</td>
<td>31 (37%)</td>
</tr>
<tr>
<td>Representation at court</td>
<td>7 (14%)</td>
<td>13 (14%)</td>
<td>14 (19%)</td>
<td>16 (19%)</td>
</tr>
<tr>
<td>Advice about the benefits you are entitled to</td>
<td>18 (35%)</td>
<td>51 (56%)</td>
<td>30 (41%)</td>
<td>44 (52%)</td>
</tr>
</tbody>
</table>

*Multi-coding was possible.

Figure 8.1 below depicts the results presented in the table above in a graph, for all non-prison interviewees. As can be seen, practical advice on money management and budgeting is a very popular form of advice. For people managing on a limited income, as is the case for many of the interviewees, effective budgeting takes on a crucial importance if all necessary household expenditure is to be met. The finding implies that general money advice, in addition to debt advice, may be something that
could be provided under the money advice outreach pilots. This has the potential of preventing debt problems occurring. Further, for those without access to mainstream banking, irrespective of whether they are in debt or not, general money advice could help them to understand the range of options open to them (e.g. basic current accounts).

Figure 8.1 Type of advice and support interviewees would like from the money advice outreach pilots (overall non-prison interviewee responses)

Prison interviewees were asked the same question, with adjusted response categories. As can be seen in Table 8.6, a high percentage of prison interviewees said they wanted advice on how to get out of debt (45 per cent), advice about the benefits they are entitled to (39 per cent), advice on managing debts on release from prison (35 per cent) and practical advice on managing debts whilst in prison (33 per cent).
### Table 8.6 Type of advice and support interviewees would like from the money advice outreach pilots*

<table>
<thead>
<tr>
<th>Type of Advice</th>
<th>No. of Prison Interviewees</th>
<th>Percentage of Prison Interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional support – e.g. counselling, someone to talk to and share your problems with</td>
<td>23</td>
<td>30%</td>
</tr>
<tr>
<td>Practical advice on managing debts whilst in prison</td>
<td>26</td>
<td>33%</td>
</tr>
<tr>
<td>Advice on things like credit agreements and how interest rates on loans and credit cards work</td>
<td>19</td>
<td>24%</td>
</tr>
<tr>
<td>Advice on how to get out of debt</td>
<td>35</td>
<td>45%</td>
</tr>
<tr>
<td>Advice on managing debts on release from prison</td>
<td>27</td>
<td>35%</td>
</tr>
<tr>
<td>Advice on how families can cope with money problems whilst someone is in prison</td>
<td>14</td>
<td>18%</td>
</tr>
<tr>
<td>Contact details for services that might be able to help you further</td>
<td>19</td>
<td>24%</td>
</tr>
<tr>
<td>Advice on dealing with people or organisations to whom you owe money</td>
<td>20</td>
<td>26%</td>
</tr>
<tr>
<td>Help with paperwork/correspondence/writing letters</td>
<td>20</td>
<td>26%</td>
</tr>
<tr>
<td>Someone to contact the people or organisations to whom you owe money on your behalf</td>
<td>20</td>
<td>26%</td>
</tr>
<tr>
<td>Advice about your legal position in relation to debt problems</td>
<td>13</td>
<td>17%</td>
</tr>
<tr>
<td>Advice about going to court/representation at court in relation to debt problems</td>
<td>11</td>
<td>14%</td>
</tr>
<tr>
<td>Advice about the benefits you are entitled to</td>
<td>30</td>
<td>39%</td>
</tr>
<tr>
<td>Advice about receiving benefits whilst in prison/help with cancelling benefits whilst in prison</td>
<td>19</td>
<td>25%</td>
</tr>
<tr>
<td>Advice on how to pay off fines</td>
<td>20</td>
<td>26%</td>
</tr>
</tbody>
</table>

*Multi-coding was possible

**Interviewees were also given the option of specifying another answer. These responses included: “Either cancel phone contract or freeze”, “Housing and how I would pay for it”, “Freeze the debt until my release and stop interest” and “Knowing whether rent was being paid”.

Figure 8.2 below depicts the same results as in Table 8.6 in a graph.
Figure 8.2 Type of advice and support interviewees would like from the money advice outreach pilots (prison interviewee responses)

Further analyses was conducted on the dataset’s financially excluded and financially included groups. Table 8.7 below shows that, in general, financially included interviewees in non-prison outreach locations tended to want more advice and support than financially excluded interviewees did. This might be a reflection of financially included interviewees being more aware of the types of advice available and being therefore more explicit about the advice and support they need.
Table 8.7 Type of advice and support interviewees would like from the money advice outreach pilots

<table>
<thead>
<tr>
<th>Type of Support</th>
<th>Percentage of financially included non-prison interviewees</th>
<th>Percentage of financially excluded non-prison interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional support – e.g. counselling, someone to talk to and share your problems with</td>
<td>37%</td>
<td>42%</td>
</tr>
<tr>
<td>Practical advice on money management and budgeting</td>
<td>65%</td>
<td>44%</td>
</tr>
<tr>
<td>Advice on things like credit agreements and how interest rates on loans and credit cards work</td>
<td>32%</td>
<td>23%</td>
</tr>
<tr>
<td>Advice on how to get out of debt</td>
<td>59%</td>
<td>50%</td>
</tr>
<tr>
<td>Contact details for services that might be able to help you further</td>
<td>34%</td>
<td>28%</td>
</tr>
<tr>
<td>Advice on dealing with people or organisations to whom you owe money</td>
<td>40%</td>
<td>29%</td>
</tr>
<tr>
<td>Help with paperwork/correspondence/writing letters</td>
<td>35%</td>
<td>36%</td>
</tr>
<tr>
<td>Someone to contact the people or organisations to whom you owe money on your behalf</td>
<td>34%</td>
<td>29%</td>
</tr>
<tr>
<td>Advice about your legal position</td>
<td>38%</td>
<td>30%</td>
</tr>
<tr>
<td>Advice about going to court</td>
<td>22%</td>
<td>16%</td>
</tr>
<tr>
<td>Representation at court</td>
<td>19%</td>
<td>12%</td>
</tr>
<tr>
<td>Advice about the benefits you are entitled to</td>
<td>50%</td>
<td>43%</td>
</tr>
</tbody>
</table>

All prison interviewees were asked an additional question: at what point in their prison sentence they thought it would be (would have been) useful to receive advice on debt problems. As can be seen in Table 8.8, the majority of prisoners would prefer receiving advice at the beginning of their sentence (38 per cent). Many, however, also state that they would like to receive advice on debt problems throughout their time spent in prison (14 per cent) and shortly before leaving prison (12 per cent).
Table 8.8 At what point in the prison sentence interviewees think advice would be most useful

<table>
<thead>
<tr>
<th>At the beginning</th>
<th>50</th>
<th>38%</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the middle</td>
<td>12</td>
<td>9%</td>
</tr>
<tr>
<td>Shortly before leaving prison</td>
<td>16</td>
<td>12%</td>
</tr>
<tr>
<td>Throughout time spent in prison</td>
<td>18</td>
<td>14%</td>
</tr>
<tr>
<td>Don't need advice</td>
<td>14</td>
<td>11%</td>
</tr>
<tr>
<td>Doesn't matter</td>
<td>2</td>
<td>2%</td>
</tr>
</tbody>
</table>

Table 8.9 presents the answers to the same question, but split by financially excluded and financially included prison interviewees. Whilst preferences are similar, and advice at the beginning of a sentence remains popular for both groups, financially excluded prison interviews mention that advice in the middle of their sentence would be useful more often than financially included interviewees.

Table 8.9 At what point in the prison sentence interviewees think advice would be most useful (financially included vs. financially excluded interviewees)

<table>
<thead>
<tr>
<th>At the beginning</th>
<th>Financially included</th>
<th>Financially excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>44%</td>
<td>45%</td>
</tr>
<tr>
<td>In the middle</td>
<td>3%</td>
<td>14%</td>
</tr>
<tr>
<td>Shortly before leaving prison</td>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>Throughout time spent in prison</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Don't need advice</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Doesn't matter</td>
<td>6%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Location of advice service

All interviewees were shown a list of possible outreach locations: in other words locations in which money advice services are not traditionally provided. They were asked which, if any, of the locations they would prefer to see money advice outreach services in. In the case of prison interviewees they were asked where they would like to access money advice on their release. They were also given the option of suggesting other locations not on the list in which they would like the service to be provided.
As can be seen in Table 8.10, interviewees generally preferred to use money advice services in the locations they were interviewed in, or in locations that they normally frequented. For example, a high percentage of family and children centre interviewees said they would like to use money advice services at a school (30 per cent). A relatively high percentage of prison interviewees also said they would prefer schools (26 per cent). A great majority of prison interviewees said they would like to use money advice services at a JobCentre (62 per cent), reflecting high levels of unemployment among people who have been to prison.146

Table 8.10 At which locations interviewees would prefer to use money advice services*

<table>
<thead>
<tr>
<th>Location</th>
<th>Family and Children Centre</th>
<th>Housing Office</th>
<th>Credit Union</th>
<th>Community Centre</th>
<th>Prison</th>
</tr>
</thead>
<tbody>
<tr>
<td>At a family support or advice centre (e.g., Sure Start)</td>
<td>48 (63%)</td>
<td>33 (28%)</td>
<td>31 (29%)</td>
<td>49 (44%)</td>
<td>39 (29%)</td>
</tr>
<tr>
<td>At a community centre</td>
<td>25 (33%)</td>
<td>54 (45%)</td>
<td>44 (42%)</td>
<td>85 (76%)</td>
<td>43 (32%)</td>
</tr>
<tr>
<td>At a housing office</td>
<td>16 (21%)</td>
<td>81 (68%)</td>
<td>25 (23%)</td>
<td>41 (37%)</td>
<td>52 (39%)</td>
</tr>
<tr>
<td>At a credit union office</td>
<td>4 (5%)</td>
<td>17 (14%)</td>
<td>37 (35%)</td>
<td>17 (15%)</td>
<td>17 (13%)</td>
</tr>
<tr>
<td>At a GP surgery</td>
<td>16 (21%)</td>
<td>27 (23%)</td>
<td>21 (20%)</td>
<td>23 (21%)</td>
<td>20 (15%)</td>
</tr>
<tr>
<td>At a school</td>
<td>23 (30%)</td>
<td>9 (8%)</td>
<td>16 (15%)</td>
<td>9 (8%)</td>
<td>34 (26%)</td>
</tr>
<tr>
<td>At a Job Centre</td>
<td>25 (33%)</td>
<td>38 (32%)</td>
<td>43 (40%)</td>
<td>38 (34%)</td>
<td>82 (62%)</td>
</tr>
<tr>
<td>At a prison</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>52 (39%)</td>
</tr>
</tbody>
</table>

*Multi-coding allowed.

These results highlight that people express a preference for outreach services to be located in places they visit regularly, that are accessible to them, and that fit into their life circumstances.

146 There were no significant differences between financially included and financially excluded interviewees (for both non-prison and prison interviewees) in terms of which locations were preferred.
9. Interviewer Feedback and Survey Research Process

9.1 Overview

As set out in Chapter 2, the LSRC was interested in contextualising the survey results through the collection of additional material from interviewers. It was also keen to draw out implications arising from the research process in general. This chapter therefore presents findings on interviewer observation and on the survey research process, drawing on analysis conducted and observations made by BMRB Social Research.

We discuss implications and lessons from experience, of potential value to both the development of the money advice outreach pilots, as well as the next evaluation phases.

All references to individual outreach locations have been anonymised.

9.2 Outreach Locations: Interviewer Observations

Introduction

All interviewers working on the (non-prison) survey were sent a feedback form for each of their outreach location visits to record their experiences. The feedback form asked interviewers to record various details about their visits, such as the number of adults who passed through the location in the course of a day, what the flow of people through the location was like and common reasons for people refusing to be interviewed. The feedback form also included qualitative questions.

In total, feedback forms were completed by interviewers for 18 of the 22 different non-prison outreach locations visited. Where locations were visited on more than one day, interviewers sometimes completed feedback forms for both/all days. In total, 36 feedback forms were completed by interviewers.

Results from the feedback forms can explain some of the survey findings. The results of the feedback forms also provide information useful to those involved in the money advice outreach pilots. For example, findings on the traffic at locations or on refusals to participate in the survey provide indications of how the money advice outreach pilots could be best targeted. The feedback findings also highlight how money advice outreach pilots need to take into account the different needs, priorities and characteristics of those visiting different types of outreach locations.

Traffic at locations

The first question on the form asked interviewers to estimate how many people passed through the location during their time spent there:

- In six of the outreach locations, only 0-10 people visited throughout the day;
• in eleven of the outreach locations 11-20 people visited;
• in seven of the outreach locations 21-30 people visited;
• in four of the outreach locations 31-40 people visited;
• in only one outreach location did 41-50 people visit; and
• seven of the outreach locations had more than 50 people visiting.

As can be seen, there was considerable variation between the numbers of people passing through the different locations. Some outreach locations only had a small number of people using the location throughout the day. Others proved far busier, with eight outreach locations seeing more than 41 visitors pass through them.

There was some variation by location type in terms of the number of visitors. Family and children centres proved to be the quietest location type. Throughout the day, less than 20 people passed through all the family and children centres surveyed. At the other end of the scale, housing offices and credit unions were the busiest location types in terms of numbers passing through. Housing offices had an average of around 40 visitors, while credit union locations had an average of around 30 visitors.

**Flow of people through outreach locations**

Interviewers were also asked to record what the flow of people through the outreach locations was like – whether it was steady throughout their visit, sporadic, concentrated around certain times, or whether it was difficult to say (Figure 9.1).

![Flow of visitors through outreach locations](image)

As Figure 9.1 shows, it was rare for the flow of visitors through outreach locations to be steady throughout the time spent there. Indeed, this was only reported by interviewers on three out of the 36 fieldwork days for which feedback was received.

It was far more common for the flow of visitors to be sporadic and even more common for it to be concentrated around certain times. Additional comments offered by interviewers gave a greater indication of the nature of the flow of people, and the reasons for this. In particular:
• Many outreach locations had classes on, with quite high numbers of people arriving and leaving together, but not much flow in-between times. For example, one interviewer said “everyone who was there was there for a class; no one nipped into the location for instance”.

• Often people visited community centres for their breakfast or dinner but at other times it was very quiet. One interviewer said “It was empty early [on] but more people came towards dinner time”. Another said “Most people came in for breakfast (9:15-10:30am) but only three people came in between 10:30 and 12:30”.

• Some outreach locations were mainly used for pre-arranged appointments or meetings at fixed times. These were often spread out and few people passed through these outreach locations for other reasons. To illustrate this point, one interviewer said “the only people who come in are those with pre-arranged appointments – and there were only five of these taking place on that day”.

Looking at the flow of people shown by Figure 9.1, along with additional comments from interviewers, it becomes clear that the types of locations being used for the money advice outreach pilots are rarely places that are consistently busy throughout the course of a day.

This has implications for how outreach advice is provided. It would seem from these results that debt advisers need to focus their efforts on specific times when the outreach location is busy.

On the other hand, some outreach location visitors – once aware that debt advisers are in the location at a given time each week – might prefer quieter times as this offers greater anonymity and privacy. They might feel embarrassed seeking money advice when coming out of a class, as other visitors would see them. Facilities to arrange appointments for when the debt adviser is in the location would be helpful, for example, through slots being listed on a discreet notice board for people to fill in, or through the free use of a telephone in the location.

**Refusals**

While some outreach locations did have many people passing through them, it did not necessarily always follow that these were the places where the greatest numbers of interviews were achieved. At some locations the refusal rate was high, with people declining to take part for a number of reasons.

On one of the days spent at a housing office, while the interviewer asked 61 people for an interview, 55 of these refused. This meant that only six interviews were achieved during the course of the visit. On another day, at a credit union, the interviewer asked 14 people for an interview and every single one of these refused.\(^{147}\)

Other locations – while not necessarily being that busy in terms of traffic – experienced much lower refusal rates. At a family and children centre, for example, while only seven adults visited the location during the interviewer visit, none of these

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\(^{147}\) It should be added that six of these refusals were people who had already done an interview on a previous visit.
refused and interviews were achieved with all seven of them. A particularly successful location was a housing office where, on one visit, 14 interviews were achieved from a total of 19 adults passing through the location.

There were various reasons for people refusing to do an interview. Some of the most common reasons are described below, with implications for money advice outreach services highlighted where particularly pertinent:

- Not having time to do an interview. There were various reasons for this – e.g. having to catch a bus, having to go shopping, having to pick children up from school, and so on.

- Visitors had young children with them. This made conducting an interview difficult, as parents did not want their children to have to sit through a 15 to 20 minute interview with them.\(^{148}\) This finding has implications for how outreach advice is delivered, especially in family and children centres. Some visitors might feel that they do not want their children to be with them when they discuss their money problems with a debt adviser. On the other hand, being able to supervise their children whilst at the same time receiving money advice might, for many people, be the only practical way of visiting an adviser.

- They were with someone else.\(^{149}\) For reasons of privacy, interviewees could not bring friends or relatives (other than children) into the room with them while they were being interviewed. This meant that friends or relatives had to wait outside for 15 to 20 minutes, putting some people off agreeing to do an interview. Similarly, this might also put some people off seeking money advice, although others might welcome the opportunity to discuss a difficult financial issue with a friend or family member present.

- People were at outreach locations for classes. When the classes finished everyone left together. Again, as only one person could be interviewed at a time, the other people were rarely willing to wait 15 minutes (or more) for their turn to be interviewed. This also has implications for how money advice outreach services are delivered. Facing up to and seeking advice on a difficult issue, such as a debt problem, requires courage. Waiting for 15 minutes, more likely longer, to seek advice during a particularly busy time might dissuade people from undertaking that first step.

- On other occasions people were visiting the outreach location for social purposes (e.g. to have a meal with friends or for a bingo afternoon) and did not want this disrupted by having to do an interview.\(^{150}\) Arguably, some people might also be unwilling to deal with a money problem at a location they associate with pleasure and a social purpose (see also page 130).

- Some people said they did not see the point of the survey, or how the research would make any difference and therefore did not think it was worth taking part.

\(^{148}\) This was a particular issue at family and children centres.

\(^{149}\) One of the questions on the form asked interviewers to record whether people left the outreach location individually or in groups. On around a quarter of days, interviewers said that people left in groups. This was particularly common where there were classes or other types of sessions taking place in outreach locations, for which people arrived, and left, together.

\(^{150}\) This was a particular issue at community centres, which were more likely to have social activities compared to other outreach location types. See also Chapter 4.
• Others were not comfortable with completing a survey of a financial nature, particularly one for the Government.

• Occasionally the interview rooms provided were out of the way for people to go to. For example, in one outreach location visitors had to walk up three flights of stairs to get to the interview room and were not always willing to do this. Clearly, the implication for the provision of money advice outreach services here is that the room where debt advice is provided should be accessible to all potential users, whilst at the same time being private.

• On a few occasions people were illiterate or had language problems, and felt they were unable to take part in an interview for these reasons. This implies that the advertising and promotion of the money advice outreach pilots should take account of the fact that some potential users might be illiterate. To ensure that they are aware of the pilots, oral advertising by debt advisers and outreach location staff would be beneficial. In some locations, debt advisers might be required to speak minority languages.

• As BMRB were visiting most of the outreach locations on more than one occasion, sometimes people had already done an interview on a previous visit to the location.

Qualitative comments

Interviewers were asked for additional comments about any other aspect of the survey or their location visits. There were numerous comments left on the feedback form, both positive and negative, and these are recorded below. Implications for money advice outreach services have been drawn out.

Positive comments:

• People were often interested in the survey and thought the money advice outreach pilots were a good idea. This is confirmed by the findings set out in Chapter 8.

• Staff were helpful in providing interview rooms and at a few locations they even recruited interviewees on the interviewer’s behalf.

• At some outreach locations interviewers reported that they felt they were ideal places for offering money advice. These observations, made by ‘neutral’ interviewers who spent often a considerable time in the outreach location and with visitors, are a valuable indication of the appropriateness of the location for money advice outreach.

• Some of the locations were reported as offering very good facilities, in particular providing meals for members of the public who passed through.
Negative comments

- At one family and children centre the interviewer reported that it was only being used for pre-arranged appointments. These meetings often related to sensitive issues concerning children, which led the interviewer to conclude that it was not an appropriate place to carry out the survey. This might also have implications for the provision of money advice outreach services. Going to or having just come out of a pre-arranged appointment on a sensitive and emotional issue might mean that seeking advice on another sensitive issue – debt – might simply be ‘too much’. On the other hand, being able to receive advice on both matters at the same location, especially if debt and another problem are related, is a holistic and practical way for people to receive advice.

- The rooms provided for interviewing sometimes made achieving interviews difficult. At one location, the room allocated was outside and around the back of the building (which put potential interviewees off). In addition, when this room was required by staff for other appointments, the interviewer had to vacate it – leaving them with nowhere private to interview. Clearly, it is important for debt advisers to be able to use a dedicated and easily accessible room for the provision of money advice in outreach locations.

- Staff at outreach locations sometimes reported that interviewers had come on quiet days and they were a lot busier at other times.

9.3 Lessons from Experience: Observations and Experiences from the Survey Research Process

Set-up issues

Once outreach locations were selected for fieldwork, BMRB researchers began the process of arranging dates for interviewers to visit them. This process involved going through a line of contacts, starting at organisation level (for example, a CAB awarded a money advice outreach pilot contract by the LSC); and eventually moving on to people working at the outreach locations that interviewers would visit (e.g. a specific community centre).

The majority of the people contacted were positive about the survey and very helpful in setting up visits. There was a common feeling among people contacted, especially at organisational level, that the money advice outreach pilots were an excellent idea and they were prepared to do all they could to help set up the first stage of its evaluation.

There were some specific issues that arose during the research process. These are described below in two separate tables, and pertain mainly to ‘contact’ issues.

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151 Family and children centres can be used, for example, for supervised and supported parent-child contact or for advice and support regarding a child’s behavioural and health issues.

152 It should be noted that BMRB researchers did try to arrange visits on the busiest days outreach locations could offer but it was not always possible to predict in advance how busy outreach locations would be on particular days.
9.1 focuses on organisation level issues and Table 9.2 focuses on outreach location level.

It should be noted upfront that some of the issues encountered were a result of the timing of the survey. The survey was undertaken at an early stage, with some organisations very busy setting up the outreach services and others still at a less advanced stage. In both cases, arranging the interviews and interviewing itself took place at a particularly challenging time for pilot organisations and outreach locations.

In the left-hand column issues and challenges that BMRB researchers faced during the research process are detailed. In the right-hand column, LSRC and BMRB have considered explanations and solutions.

None of the issues and problems faced was insurmountable. For example, as work progressed, a number of strategies were taken by researchers to make the process of booking dates a smoother one.

Table 9.1 Organisation level contact

<table>
<thead>
<tr>
<th>Issues Faced during the Research Process</th>
<th>Explanations and Solutions</th>
</tr>
</thead>
</table>
| 1. Communication began with a formal e-mail to the organisation contact whose details had been provided by the LSC. Contacts were advised that BMRB would call them in the next few days to discuss things in more detail. Not all e-mail addresses supplied were up to date. In some instances it was discovered that the person whose details had been provided no longer worked at the organisation, or was no longer responsible for the money advice outreach pilots. | ⇒ Make sure all e-mail contacts are up to date.  
⇒ Build in time delays, as some staff might no longer be responsible for the money advice outreach pilot work and others might have left the organisation.  
⇒ Follow up e-mails with a telephone call. |
| 2. The nature and scope of the research could be quite difficult to explain, especially if cold-calling someone. | ⇒ E-mail first before calling. It was much easier to introduce the survey in an initial e-mail, give the recipient a chance to read it and familiarise themselves with it, and then make a follow-up call a few days later. While this was initially done for organisation-level contacts, it was just as important for outreach location-level contacts, as they would often know little or nothing about the survey before BMRB contacted them. |
| 3. People at organisation level were understandably often very busy\(^{153}\) and said they did not have time to arrange interviewer visits. Due to the fact that the people BMRB | ⇒ Be flexible when conducting the research. BMRB said that they could be flexible and visit at any time over the next month or two (including |

\(^{153}\) Often because they were in the process of setting up the money advice service (see above).
made arrangements with were busy, they sometimes took some time to respond to e-mails and phone calls.

...weekends). Having an adaptable fieldwork timetable in place ensured that BMRB could offer a variety of dates.

⇒ Be patient. It was important not to pressurise organisations into booking dates.

⇒ Allow dates to be agreed at short notice. As booking dates was sometimes a drawn-out process, it was important to accept any dates that were offered, even at very short notice.

4. There was some misunderstanding from people contacted at organisation level about what the research involved. While the research was based around the money advice outreach pilots, it could not, due to timing/funding constraints, focus on asking questions about the pilots themselves. This was a message that sometimes proved difficult to get across – people sometimes quickly replied to e-mails saying that as the service had not been set up at their outreach location sites, there was little point in carrying out the survey there.

⇒ Explain things clearly. Some of the (limited number of) initial refusals and reluctance to participate stemmed from the fact that contacts often misunderstood exactly what the research related to. By saying that the survey was simply concerned with collecting a profile of the types of people who visit outreach locations where the service will be set up, people were much more likely to agree to take part.

5. A few organisations refused to take part in the research at an early stage. Sometimes they were too busy, or did not see the relevance of the research, or what they would get out of it. In some cases the refusals took longer to arrive. These ‘delayed refusals’ were more of a problem than immediate ones, as it meant BMRB had less time to arrange visits to alternative sites.

⇒ Have a reserve sample. Where refusals happened, these sites were replaced with alternative ones from the reserve sample, as detailed in Chapter 2.

⇒ LSC or LSRC to contact organisations if necessary.

There were other issues faced when BMRB got the details of people working at the locations they intended to visit. These are detailed below (Table 9.2) alongside explanations and solutions.

Table 9.2 Outreach location-level contact

<table>
<thead>
<tr>
<th>Issues faced during the research process</th>
<th>Explanations and Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The intention was that the organisation-level contact would have briefed the location contact about the research so that when BMRB called them they would already have some knowledge of the nature of the survey and what it involved.</td>
<td>⇒ Always e-mail the location contact with background information. ⇒ Speak to someone at the outreach location before booking dates.</td>
</tr>
</tbody>
</table>
In reality, this had not always been done, so, on occasions, BMRB researchers were effectively cold-calling the location contact.

2. The organisation contacts did not always know as much about the outreach locations BMRB wanted to visit as the staff who actually worked at them did. For example, there were some instances where people at organisation level said that selected sites were perfectly appropriate to visit. When BMRB spoke to staff working at the outreach locations it sometimes emerged that they were not appropriate places to carry out the research. In a couple of instances, locations that BMRB thought were visited by the public actually turned out to be little more than private offices where BMRB would be unable to interview anyone other than the staff who worked there.

3. In the advance e-mail it was stated that locations would need to provide a private room, to ensure that interviewing could take place in confidence. When speaking to location contacts it emerged that this was not always possible. At some outreach locations they simply did not have a private room, while other outreach locations only had one or two rooms. While these rooms were offered, location contacts also said that using them would result in significantly less people visiting as the rooms could not then be used for things like meetings and classes, which were common reasons for people visiting locations.

4. BMRB often had to go through a line of contacts before being able to book dates. At times, it was possible to speak to a contact at organisation level who would then refer BMRB onto someone at the location. BMRB were then able to book dates with this contact almost immediately. However, it was more common to speak to five or six different people before being able to book dates.

5. People at organisation level sometimes allowed BMRB to book dates through them, saying that they would let staff at the location know and get back to BMRB if there was a problem. On a few occasions, when BMRB called the outreach location on the day before visiting, it emerged that staff working there had no idea that BMRB were due to visit and, in some cases, were not even aware of the research. While in most cases location staff were still able to accommodate the visits at short notice, there were occasions where dates had to be cancelled as a result.
6. Not surprisingly, no two outreach locations BMRB visited were the same: each had specific issues.

⇒ Appreciate outreach location specific issues. This again meant being flexible in approach. For example, BMRB initially said that the locations would need to provide a private room so that interviews could take place in confidence. However, it soon emerged that this was not possible at all locations (some did not have a private room, at others the rooms were already booked up). In these cases a quiet corner, or cordoned off area in a public room, was used as the next best alternative.

While the experiences highlighted above were apparent when trying to book dates at all five types of site, there were more specific issues when arranging visits to two outreach location types: family and children centres and prisons.

In some cases family and children centres were not places that members of the public passed through or visited on a regular basis – they were often only visited by people who were attending meetings (and there were sometimes only one or two meetings in the course of a day). In addition, some of the meetings at family and children centres were about quite sensitive subjects relating to issues with families and children, and were often attended by whole families, including young children. As shown in Chapter 4, people in general visited family and children centres with their children (for events like mother and baby classes). This made interviewing at times difficult, as parents understandably did not want to leave their children and go into a separate room to conduct an interview, or make their children sit through a 15 to 20 minute interview with them.

Prisons were easier than family and children centres to arrange access to, but it was often a particularly lengthy process compared with other outreach location types. The line of communication was frequently especially long for prisons and there were extra issues relating to security clearance that added to the time required to set up these visits. For these reasons, it took around ten weeks from sending an initial e-mail to a prison contact at organisation level to spending the first day interviewing at a prison. The explanation for this time lag was entirely due to specific issues that are encountered in any survey seeking to interview in prisons. All of the prison contacts spoken to were extremely helpful and worked diligently to ensure that the process of booking dates was as smooth as possible.
10. Conclusions and Implications

10.1 Overview

This chapter presents a summary of the research findings and draws out general conclusions. Key issues for each of the five outreach locations are then presented. This is followed by a number of cross-cutting themes highlighted by the research.

10.2 Overall Summary and General Conclusions

The survey in five different outreach location types took place at an early stage of the money advice outreach pilots. The aim was to assess the suitability of a number of different outreach location sites for the delivery of money advice to ‘hard-to-reach’ and disadvantaged groups. Face-to-face interviews were conducted in family and children centres, housing offices, credit unions, community centres and prisons where money advice outreach pilot projects were either just up and running or due to start soon. Results presented throughout this report point to prison interviewees being markedly different from non-prison interviewees.

Deprivation and financial exclusion

The findings show that, in regard to the outreach locations surveyed, the target of reaching areas or groups facing high levels of deprivation and financial exclusion has been met. Using the 2004 Indices of Multiple Deprivation, we showed that 75 per cent of interviewees lived in the top 20 per cent of the most deprived areas in England and 47 per cent lived in the top 10 per cent of the most deprived areas. Only 2 per cent of interviewees lived in one of the 20 per cent least deprived areas. The five outreach location types generally served considerably higher proportions of people with demographics that are indicators of social and financial exclusion than the national average. For example, in all five outreach location types surveyed, a higher percentage of lone parents, people who lived in social housing, unemployed people and those with a long-standing illness or disability were found compared to national averages. Disabled people and people with long-term health conditions are defined by Government as one of the most disadvantaged groups that are less likely to benefit from key public services than the population as a whole. Effective outreach services can redress this imbalance.

Survey results demonstrate that the family and children centres, housing offices, credit unions, community centres and prisons surveyed provide access to people experiencing financial exclusion. A significant percentage of these outreach location users either have no or limited access to mainstream banking services. Among the outreach location types covered in the survey, the highest proportions of financially excluded interviewees were found in prisons and credit unions, with 73 per cent and 51 per cent of interviewees respectively.

Looking specifically at the interviewees in the prisons surveyed, the findings offer a compelling picture of the high levels of financial exclusion and disadvantage

prisoners experience. They stand out as a group of people with numerous problems and needs. Results indicate that there is a relationship between the experience of financial exclusion and multiple prison sentences. At 60 per cent, the majority of those who were in prison for the first time were financially excluded, while an even higher 80 per cent of prison interviewees who had been to prison before were financially excluded.

Across all interviewee groups, there were people who did not report financial exclusion or money problems at the time of the interview. However, their socio-demographic characteristics (e.g. low household income, unemployment, long-term disability or illness) will mean that small life changes can make them vulnerable to money and debt problems.

‘Hard-to-reach’

A further objective of the money advice outreach pilots is to reach those who would not normally seek help from mainstream advice services. The survey findings show that this target has been met in the family and children centres, housing offices, credit unions and prisons surveyed. Interviewees in the community centres appeared to be less ‘hard-to-reach’ than those in the other outreach location types.

Despite having good geographical access to mainstream advice services, many interviewees were not aware that a CAB or a solicitor was located within two miles of their home. Financially excluded interviewees were more likely to be unaware of both local solicitors and CABx than other interviewees. They are clearly within the target group of the money advice outreach pilots: they are experiencing financial exclusion whilst at the same time being unaware of local mainstream advice provision, which could help with money or debt issues.

Survey findings for prison interviewees also indicated low levels of awareness of general advice provision in prisons, and a reluctance to seek advice. For example, compared to non-prison interviewees, a higher percentage of prison interviewees asserted that they would not use the new money advice outreach service. One explanation could be that persistent personal barriers result in prisoners not wanting to seek advice, or at least not wanting to appear to be considering advice.

Further, a substantial proportion (31 per cent) of non-prison interviewees who had either experienced real financial difficulties since the start of 2003, or were having real financial problems at the time of the interview, reported not having received any advice at all. An even higher percentage (90 per cent) of prison interviewees who reported real financial difficulties had not received any advice. Clearly, there is potential for the money advice outreach pilot projects to address this significant need.

Looking towards the future, a relatively high percentage of financially excluded non-prison interviewees (22 per cent) reported that they would not seek professional advice even if they were having serious money problems. Fifteen per cent of financially included non-prison interviewees would also not consider seeking professional advice. In both cases, these are clearly ‘hard-to-reach’ groups who could benefit from proactive money outreach advice in locations they are familiar with and feel comfortable using. Among prison interviewees, 50 per cent said they would not consider seeking professional advice about serious money problems when they were released, often because they simply could not envisage having financial problems upon release – despite being a highly financially excluded group.

Money problems
Whilst not all the interviewees in the family and children centres, credit unions, housing offices and community centres surveyed reported having money problems, many were struggling to make ends meet and some were experiencing acute debt issues for which they were not getting any advice. Across all four non-prison outreach locations, interviewees were frequently behind on their household bill payments. Financially excluded interviewees reported being behind on these most often. As set out in Chapter 1, maintaining a household budget can be expensive and difficult for those with no or limited access to mainstream financial services.

A significant number of interviewees belonged to one of two groups. The first were individuals who experienced money problems, were financially excluded and were ‘hard-to-reach’. In addition to this core target group of the money advice outreach pilots, there were many interviewees who reported one of the following characteristics: experiencing money problems, not being aware of local mainstream advice services or being financially excluded. These individuals could clearly also profit from outreach advice. A potential need may develop into an acute need for money advice, as circumstances in people’s lives change. There was a third group of interviewees who were not within the target groups of the money advice outreach pilots.

**Propensity to use the money advice outreach pilots**

In regard to whether interviewees would be likely to use the advice offered under the money advice outreach pilots, survey findings show that people would welcome money advice in the location where they were interviewed. They believed the location to be a good place for outreach advice. The accessibility of the outreach locations surveyed was mentioned frequently, as were familiarity, trust and friendliness. Many interviewees expressed a preference for money advice outreach in their location that was readily and quickly available.

The most popular types of advice and support interviewees wanted from the money advice outreach pilots were: practical advice on money management and budgeting; advice on how to get out of debt; and advice on the benefits they were entitled to. A high 82 per cent of non-prison interviewees said they would either be very likely or fairly likely to utilise the advice due to be provided under the money advice outreach pilots if they had money problems.

**Distinguishing between different outreach location types**

In general, then, the survey shows that the pilots are a potentially worthwhile policy initiative and could have a significant impact. However, survey results also demonstrate that there are important variations between the five outreach location types surveyed, with implications as to how best to deliver the outreach ‘on the ground’. Given that outreach advice should be moulded to the needs of its target groups, it is crucial that the money advice outreach pilots, and any subsequent policy initiatives, take account of this.

The following sections therefore discuss results for each outreach location type surveyed, drawing out key characteristics of interviewees and highlighting research implications.
10.3 Family and Children Centres

Interviewees in the family and children centres surveyed were mostly women, with an average age of 33. Many of them were looking after the home or the family. The family and children centres surveyed catered for an ethnically diverse population (only 39 per cent of interviewees were white). They reported the highest average household income (roughly £15,000 per annum) across all five outreach location types. Interviewees in family and children centres were also far more likely to have A-levels and a first or higher degree than other interviewee groups. They were the least likely to suffer from long-standing illness or disability. No interviewees from the children and family centres reported having real financial problems and falling behind with many bills or credit commitments at the time of the survey interview. Those who were falling behind on some bills or credit commitments cited household bills as the payments they were behind on most frequently (80 per cent). Interviewees in the family and children centres reported most frequently that they were receiving some advice or help with managing their money on a day-to-day basis at the time of the interview.

Given the above results, at first glance interviewees in the family and children centres appear to be in a more advantageous position than interviewees in the other outreach location types surveyed. However, a different picture emerges when we look at the experience of financial exclusion, serious financial difficulties since the start of 2003 and awareness of local mainstream advice provision.

Interviewees in the family and children centres reported having no current account and no other financial products more often than interviewees in housing offices, credit unions and community centres. Also, a relatively high percentage of interviewees in family and children centres (10 per cent) possessed personal loans from companies that came to their home to collect payment. As set out in Chapter 1, use of these non-mainstream credit services has been associated with financial exclusion.

Further, 31 per cent of interviewees in the family and children centres reported that they had found themselves in serious financial difficulties since the start of 2003. This history of financial problems shows a vulnerability to debt, indicating that some interviewees move in and out of debt. Outreach advice has a clear role to play here in helping people address re-occurring money problems early and effectively.

Interviewees in family and children centres surveyed also showed very low levels of awareness of local mainstream advice provision. Sixty-one per cent of interviewees with a solicitor within 2 miles of their homes were unaware of this. An even higher 77 per cent with a CAB within 2 miles of their homes were unaware of the existence of the CAB. Outreach money advice would therefore seem particular appropriate for this group of people, also given that a high 87 per cent of interviewees said it was very easy for them to get to their family and children centre.

Interviewees in family and children centres therefore present the most polarised picture of all the five different outreach location types. On the one hand, many are better educated and have a higher household income compared to interviewees in other outreach locations. On the other hand, some do experience financial exclusion and money problems, and their knowledge of mainstream local advisers is poor. It should also be noted that, whilst the interviewees in family and children centres surveyed do report the highest average household income across all five outreach location types, this average income of roughly £15,000 is still low. Furthermore, their relatively high educational qualifications do not necessarily reduce their vulnerability.
However, outreach advice in family and children centres faces unique challenges. Survey results, as well as fieldwork experience gained whilst conducting the survey, indicate that people visit family and children centres with their children, frequently for pre-arranged appointments, whilst often dealing with sensitive matters. On many occasions, the ‘flow’ of people using the family and children centres surveyed was sporadic. Family and children centres also stand out as having achieved the lowest daily rate of interviewing of all five outreach location types. They were not always easy to get on board for the fieldwork. Lastly, although 80 per cent of interviewees in the family and children centres felt that their location was a good place for money outreach advice, this percentage was the lowest across all outreach location types. This further indicates that family and children centres might be a more challenging location for setting up money advice outreach services compared to other types of outreach locations.

These findings illustrate that outreach services need to be sensitive to how people use a location. Outreach advice needs to suit the individuals for whom the service has been set up. For family and children centres, this means outreach advice that is both flexible and that offers fixed appointments. Facilities to arrange appointments for when the debt adviser is in the location would be helpful, for example, through slots being listed on a discreet notice board for people to fill in, or through the free use of a telephone in the location. Children are invariably going to be present during an advice session, and the adviser needs to take account of this.

Interestingly, interviewees in family and children centres reported more frequently than interviewees in other outreach location types that they would like to receive advice over the phone. Taken together with the potential difficulty of providing advice whilst children are present – in terms of some parents feeling uncomfortable discussing money matters with their children present and also supervision issues – this points to telephone advice being a feasible option for some of the money advice outreach pilot projects focusing on family and children centres. However, it should be noted that the vast majority of the interviewees in family and children centres still expressed a preference for face-to-face advice at the centre. Also, none of the interviewees said they wanted general information at the family and children centre first and then advice over the telephone at a later date. Providing initial tailored face-to-face advice followed by telephone advice might be a feasible option.155

Finally, most of the visitors to family and children centres were women who were looking after the family. As was pointed out in Chapter 3, being female has been mentioned as a socio-demographic indicator of financial exclusion. This is reflected in the finding that a relatively high percentage (8 per cent) of interviewees in family and children centres reported having no current account and no other financial products. Information events targeted towards women in family and children centres focusing on the benefits of financial inclusion and practical advice on how to access mainstream financial products could be a worthwhile policy initiative.

155 People could also be pointed to the CLS Direct service, which offers free telephone advice for debt problems for those who qualify for legal aid.
10.4 Housing Offices

Interviewees in the housing offices surveyed stood out as being relatively old with an average age of 45. A high percentage also had a long-standing illness or disability. Not surprisingly, 69 per cent rented from a local council or housing association or a registered social landlord. Interviewees in housing offices reported most often that their outreach location (i.e. their housing office) was very or fairly difficult to reach. However, even in this case it was only 7 per cent who said this. Housing offices were also the least frequently visited of the four non-prison outreach locations; interviewees visited housing offices between once every two weeks and once every three weeks on average.

Thirty-two per cent of interviewees in the housing offices surveyed reported experiencing some form of financial exclusion. The largest proportion of people falling behind with some or all of their bills and credit commitments were found among housing office interviewees (17 per cent) compared to all other outreach location types surveyed. A relatively high proportion (12 per cent) also reported possessing personal loans from companies that came to their home to collect payment. Interviewees in the housing offices surveyed reported the highest total number of loans and credit arrangements across all five outreach location types, with personal loans with a bank or building society and credit cards not settled in full each month being particularly prevalent. Given these findings, it is not surprising that interviewees in the housing offices were the most likely to specify that they would like advice on how to get out of debt (68 per cent), in preference to practical advice on money management and budgeting (54 per cent). Debt advice is therefore clearly welcomed, and required, by many interviewees in the housing offices surveyed.

Housing and debt issues can be linked. In one case an interviewee who had been a victim of domestic violence was seeking to be re-housed. She also required advice on how to deal with the joint debts she had with her ex-partner, which were in her own name. This is an example of how problems can cluster. There is therefore a benefit in offering outreach money advice in locations, such as housing offices, where advice on issues sometimes linked to debt is provided.

10.5 Credit Unions

Credit union interviewees reported the lowest household incomes within the five outreach locations surveyed (roughly £7,500 per annum). A high 31 per cent also reported a long-standing illness or disability. The credit unions surveyed catered for a more ethnically diverse population than housing offices, community centres and prisons. Many interviewees in the credit unions surveyed were unemployed (39 per cent). They also reported the lowest percentage of A-levels, first degree or higher degree attainment of all five interviewee groups. A high 71 per cent of credit union interviewees were in receipt of housing benefit.

Only 31 per cent of interviewees in the credit unions surveyed reported being able to keep up with all bills and credit commitments without difficulty. Credit union interviewees reported that their money problems had a severe impact on their lives, and a high percentage of them (32 per cent) could not see a time in the future when they would not have money problems. Also, the highest percentage of interviewees (41 per cent) reporting serious financial difficulties since the start of 2003 was found in credit unions.
A clear picture emerges of a group of people whose socio-demographics indicate social exclusion and disadvantage, and who experience significant money problems. The very fact that they were interviewed in a credit union, however, points to a recognition among these interviewees that they need to address their financial issues. On a positive note, too, interviewees in the credit unions surveyed were the most likely, out of all interviewee groups, to have received advice for financial difficulties from friends or relatives, people they owed money to and/or from professional advisers.

Somewhat surprising, then, is the finding that credit union interviewees reported the lowest percentage (70 per cent) across all non-prison outreach location types in regard to seeking professional advice, if they had money problems in the future. More encouraging, a very high proportion of credit union interviewees (92 per cent) believed that credit unions would be a good place to offer money outreach advice. A high 22 per cent of interviewees said they visited the credit union location every day, pointing to the location being accessible and familiar to interviewees.

Outreach advice in credit unions is also likely to reach people who demonstrated a particular lack of awareness of mainstream local advisers. Many credit union interviewees were not aware that there was a solicitor within two miles of their home. They also showed a lack of awareness in regard to the existence of local CABx.

To date, there has been limited research in the UK on the types of people who use credit unions. A recent report by Collard and Smith is a notable exception.156 The findings on credit union users presented throughout this report are therefore a useful addition to the existing body of research.

10.6 Community Centres

Interviewees in the community centres surveyed were relatively old with an average age of 45. The majority were women. Thirty per cent classed themselves as having a longstanding illness or disability. People in the community centres surveyed had educational qualifications higher than the national average. A high 80 per cent of community centre interviewees were in receipt of housing benefit, pointing towards eligibility but also good take-up levels. The community centres surveyed were visited for a wide range of reasons. They clearly served a social function, with interviewees visiting for food or drink and to meet people. This is also reflected in the finding that 95 per cent had been to the community centre in which they were interviewed before, highlighting that they are visited frequently and consistently.

Only 2 per cent of interviewees in the community centres reported that they had no current account and no other financial products. This was the lowest percentage across all five outreach location types. Interviewees in the community centres also reported least frequently that they did not own a current account with a bank or building society but possessed other financial products. However, even among community centre interviewees, 19 per cent still reported some form of financial

Community centres surveyed had the lowest proportion of people who possessed personal loans from companies that came to their home to collect payment (4 per cent), whilst a significantly higher 13 per cent had a personal loan from a mainstream bank, building society or finance house. This confirms that community centres contain the greatest proportion of people with access to mainstream banking services. In terms of money problems, the lowest percentage (28 per cent) of interviewees reporting serious financial difficulties since the start of 2003 was found in the community centres.

Taken together, these findings indicate that interviewees in the community centres surveyed were the least disadvantaged in terms of financial exclusion and money problems compared to interviewees in the other outreach location types surveyed. Further results also show that many interviewees in the community centres surveyed were not as ‘hard-to-reach’ as other interviewee groups. They were, for example, highly aware of local mainstream advice provision. In fact, interviewees in the community centres surveyed were more knowledgeable in regard to whether a CAB or a solicitor was close by than comparable findings for the population in general.

In addition, more interviewees in the community centres reported a positive attitude in regard to considering seeking professional advice about serious money problems in the future compared to interviewees in other outreach location types. They are therefore both more open to seeking advice, as well as being more knowledgeable about the location and availability of local mainstream advice, than interviewees in other outreach location types.

However, despite these findings it should be stressed that there were still significant numbers of people in community centres who could benefit from money outreach advice. Also, community centres were a popular potential location for money advice outreach advice for credit union interviewees and among housing office interviewees.

**10.7 Prison**

All prison interviewees were male and they were the youngest group of interviewees (average age of 30). Despite their young age, a relatively high 24 per cent reported they had a long-standing illness or disability. A high 40 per cent of interviewees in the prisons surveyed said they were unemployed before going to prison. A high 40 per cent also reported that they had no educational qualifications. The majority of prison interviewees had been to prison before: 66 per cent had served one or more custodial sentences. In many cases, interviewees had been in prison four times or more.

A very high proportion of prison interviewees (73 per cent) had no or limited access to mainstream banking services. A high 40 per cent of interviewees reported having no current account and no other financial products at all.

As pointed out at the beginning of this chapter, results further indicate that there is a relationship between the experience of financial exclusion and multiple prison sentences. At 60 per cent, the majority of those who were in prison for the first time were financially excluded, while an even higher 80 per cent of prison interviewees who had been to prison before were financially excluded. Further results showed that financially excluded prisoners had served significantly more prison sentences than financially included prisoners. These findings suggest that financial exclusion might
both play a role in, and be reinforced by, custodial sentences. The causality of this link must be elucidated in future research to determine whether tackling financial exclusion could help to reduce re-offending. Drawing on the interviewees’ own perspective, a number of them certainly believed that money advice in prisons would reduce re-offending when released.

A higher proportion of prison interviewees (30 per cent) than those from any other outreach locations surveyed always ran out of money before the end of the week or month before going to prison. Drug addiction and its associated costs may be one reason for this. Prison interviewees who had been in prison before reported running out of money before going to prison more often than those who were in prison for the first time. Financially excluded prison interviewees were substantially more likely to always run out of money before the end of the week or month than financially included interviewees, with 35 per cent reporting this.

Noticeably, prison interviewees reported fewer loans and credit arrangements than non-prison interviewees, with a substantial 59 per cent of interviewees from this location type not in possession of any credit or loan arrangements. This is not surprising given the high percentage of prison interviewees who were financially excluded. Lack of a permanent address between (or prior to) prison sentences, possibly in addition to a criminal record itself, will also act as a barrier to accessing credit (both mainstream and otherwise).

A relatively high proportion (12 per cent) of prison interviewees reported that they had got into debt since being in prison. A number of these interviewees cited their housing situation outside of prison as a cause for going into debt whilst in prison, for example, because of falling behind with rent payments. This highlights the importance of ‘joined-up’ debt and housing advice for prisoners.

Results also show that 30 per cent of prison interviewees who reported financial problems said that their partner and/or family was experiencing problems because of their debts. This finding illustrates the impact that money problems have on families, especially when the individual in question is in prison, and possibly unable to deal with financial problems and creditors directly. Money advice outreach pilot projects could offer joint advice sessions for the prisoner and their partner or family. This would mean that both partners would have an improved knowledge of how to tackle debt, and ideally also become better at money management and budgeting. Information on how to access mainstream financial products would further benefit financially excluded prisoners and their families.

Given their widespread experience of both financial exclusion and money problems, it is surprising that only 6 per cent of prison interviewees reported receiving advice at the time of the survey interview on how to manage their money on a day-to-day basis. This stands in contrast to the 23 per cent of prison interviewees who felt they needed advice or help about managing their money. Furthermore, even among the 6 per cent who reported receiving advice, some were only receiving advice from friends or relatives or people/organisations they owed money to.

Also, a very high percentage (90 per cent) of prison interviewees who reported real financial difficulties over the last three years had not received any advice for their problems. These interviewees can be defined as ‘hard-to-reach’ as they either did not seek advice for their money problems, or if they did seek advice, they were not successful in obtaining it. Clearly, effective money advice outreach can lessen this substantial need.
However, the pilots might need to find innovative ways of ‘reaching out’. Despite the high level of financial exclusion and money problems among prison interviewees, survey results also highlight that the offer of money advice in prisons might not be taken up. For example, prison interviewees were often unaware of the full range of advice services available in prison. Outreach work therefore needs to involve proactive methods to engage prisoners. Offering weekly one-to-one advice sessions might not be sufficient to reach those who are particularly ‘hard-to-reach’; more ‘aggressive’ forms of outreach, for example, approaching prisoners directly and in person, might be an option.

Thirty-nine per cent of prison interviewees said they would consider seeking professional advice about serious money problems when they were released. Those who said they would not consider seeking professional advice were asked for reasons why not. A high proportion (52 per cent) gave the reason that they did not envisage having financial difficulties upon release. This finding is unexpected in the context of the high levels of financial exclusion reported by interviewees in the prisons surveyed and their self-reported need for advice – in some cases even claims that it was debt problems that ultimately led to crimes being committed. Arguably, it points to an over-optimistic attitude. Information events and classes in prisons might inform people how to deal with money issues and financial exclusion, and what types of problems to expect once out of prison. The high proportion of prison interviewees who cannot envisage having financial difficulties upon release could also be a reflection of the low number and range of financial dealings they are accustomed to.

However, prison interviewees were positive about the money advice outreach pilots. A high number of interviewees mentioned that many prisoners had debt problems and really needed advice on debts and on how to deal with bills whilst in prison. Second, many prison interviewees said that advice in prison on money issues was necessary for its general money management benefits. The feeling was that learning how to deal with money in a better way would give ‘stability and security’ in the future. Money management and budgeting training could have the potential of making prisoners feel more empowered and more confident about being able to ‘sort things out’ themselves. A third theme related to the timing of the money advice: a number of prison interviewees said that advice was especially beneficial during a prison sentence. Some viewed their prison sentence as a time to reflect and to gain the necessary skills to deal with their lives more successfully on the ‘outside’. Lastly, a small number of prison interviewees made specific reference to the positive impact that money advice could have on their housing situation outside of prison. This shows again how housing issues are of concern to prison interviewees, and are often tied up with their money advice needs.

A high percentage of prison interviewees said they wanted advice on how to get out of debt (45 per cent), advice about the benefits they are entitled to (39 per cent), advice on managing debts on release from prison (35 per cent) and practical advice on managing debts whilst in prison (33 per cent). As discussed above, interviewees also spoke about basic budgeting skills and advice on controlling spending and saving. Many prison interviewees also said they were concerned about interest payments and whether these could be frozen whilst they were in prison. Increased knowledge was conceptualised as a necessary first step in addressing challenging financial situations.

The survey findings provide convincing evidence that money outreach advice in prisons is necessary. It is necessary because not only individual prisoners but also their families and society in general could benefit. Survey results highlight that
prisoners are a particularly excluded group, confirming previous persuasive findings such as those set out in the Social Exclusion Unit’s *Reducing Re-Offending by Ex-Prisoners* report.157

Taken together, results imply that prisoners may benefit from having access to a single adviser with responsibility for mitigating the impact of imprisonment on prisoners’ interlinking homes, debt and benefit situations. In the latest Government report on social exclusion, the advantage of ‘providing tailored programmes of support built around strong and persistent relationships with those at risk’158 is stressed. Clearly, many of the prison interviewees, as well as some of the interviewees in the family and children centres, housing offices, credit unions and community centres, could profit from ‘strong and persistent relationships’ with one adviser to meet their multiple and ongoing needs.

10.8 Cross-Cutting Themes

The advantages of outreach advice

The survey results offer a compelling view of the potential benefits that can be realised through outreach advice for some groups in the population.

Interviewees talked about the location they were interviewed in as being local and easy to get to, and therefore not involving any expensive transport costs. Accessibility is a prerequisite for successful outreach services. The survey results demonstrate that the locations surveyed were, in general, highly convenient and accessible. Interviewees also visited the four non-prison outreach locations frequently and consistently, making them further suited for outreach advice.

Interviewees welcomed the familiarity and friendliness associated with locations they use regularly. Many interviewees spoke about money advice outreach in the location they were interviewed in as being a good idea because they felt at ease in the location in question, the staff working there were friendly and they had received professional advice for other issues. Also mentioned were the benefits of multiple advice services in the same location and the fact that many people who frequented the location required money advice. The immediacy of the advice was further talked about as a benefit.

The survey results indicate that good mainstream local advice provision does not necessarily mean it is used. Being unaware of mainstream advice provision, being unwilling to use it, and/or having difficulty travelling even relatively short distances due to financial or mobility reasons makes the provision of easily accessible outreach advice important.

Positive experiences meant that interviewees trusted the outreach location and its staff. Many of the outreach locations had obviously already built up a reputation for providing good quality, professional advice. The trust some of the interviewees put into services in the family and children centres, housing offices, credit unions and community centres comes with responsibility for the money advice outreach advisers.

The money advice has to be of a high quality in order not to disappoint or mislead advice-seekers who may be less sensitive to incorrect information and less inclined to question the advisers’ expertise than people using mainstream advisers. Interestingly, financially excluded non-prison interviewees mentioned the issue of trust and the professional quality of advice as a positive feature of outreach advice more often than did financially included non-prison interviewees. This highlights the emphasis financially excluded people put on money advice being trustworthy and professional, and the potential of reaching them through the money advice outreach pilots.

Financially excluded interviewees in non-prison outreach locations were also more likely not to consider seeking advice because they were too embarrassed or ashamed compared to financially included interviewees. Outreach advice sensitive to these feelings of shame and embarrassment has the potential to reach out to these individuals. It is also necessary to take into account that people’s behaviour is not always rational. A recent literature review\(^{159}\) drawing on behavioural economics and psychology to understand an individual’s propensity to engage with their creditors highlights this. Decision-making is influenced by many different factors and ‘cost-benefit’ analyses, as well as coping style.

Outreach advice in a trusted location is likely to result in people feeling more at ease, more confident, and better equipped to articulate their money problems and advice needs in a ‘safe’ environment. What might be described as an increased ‘personal capacity’, as a result of feeling comfortable in a familiar environment, is a significant advantage of outreach advice.

Interviewees’ comments also highlighted how money advice in a location where people had to go to for other advice was helpful. Disadvantaged people are more likely to have multiple needs and to require several services. Receiving advice on a number of issues at the same location at one time can be beneficial. The idea of holistic advice for multiple needs is also the rationale behind the LSC’s approach to procuring integrated social welfare law services, as outlined in the Community Legal Service Strategy ‘Making Legal Rights a Reality’.\(^{160}\)

It is noticeable that some interviewees cite their family as a reason for not seeking ‘external’ professional advice. However, relying on family members for advice is likely not always to be as effective as professional impartial advice. The offer of outreach advice in a familiar and trusted location might result in more people seeking advice, as it is less daunting than going to an external mainstream adviser and has, arguably, more of a ‘family feel’ to it.

Breaking down barriers to seeking advice – by providing outreach money advice – may also result in breaking down the widespread mistrust of mainstream financial services companies among people who are on the margins of these financial services.\(^{161}\) Trusted money advice in an outreach location can highlight the benefits of access to a basic or current account to those who are ‘unbanked’.

Given the findings on the negative impact of debt problems on interviewees’ worry, anxiety and general well-being levels, the money advice outreach pilots also have the

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potential to increase people's well-being.

**Delivering outreach advice according to people's preferences**

Survey findings offer some suggestions for the development of money outreach advice. Drawing on the views of people who are potential users of the money advice outreach pilots, this section focuses on their preferences.

Most interviewees by far prefer to receive money advice in person. Although this also holds true for financially excluded individuals, their preferences are not as clear as for financially included individuals. A number of financially excluded individuals would prefer advice in writing; a more anonymised and less directly people-focused way of receiving advice in a sensitive matter, such as serious money problems. Those interviewees who felt that advice in writing would be useful might also have been expressing a preference to have something tangible that they could refer back to. This in turn might indicate a level of insecurity: not trusting themselves to 'keep up' with spoken advice. However, despite these findings, the great majority of financially excluded interviewees still prefer advice in person.

There were further subtle differences. Interviewees in family and children centres report more frequently than interviewees in other outreach location types that they would like to receive advice over the phone – although again the great majority would still prefer face-to-face advice.

Most interviewees in all five location types also said that, if they were to use the money advice outreach pilots, they would prefer to receive advice straight away from the outreach location, as opposed to getting general information first and then coming back for advice later. This points to the importance of outreach advice being immediate and not subject to delay. It further indicates that interviewees do not want to translate general information derived from a leaflet to their own situation, but want advice that is targeted towards their own circumstances straight away. On the other hand, some outreach location visitors – once aware that debt advisers are in the location at a given time each week – might prefer to make an appointment. They might, for example, feel embarrassed seeking money advice when coming out of a class, as other visitors would see them. Quieter times would offer them greater anonymity and privacy. As pointed out earlier in this chapter, facilities to arrange appointments to coincide with when the debt adviser is in the location would be helpful, for example, through slots being listed on a discreet noticeboard for people to fill in, or through the free use of a telephone in the location.

Non-prison interviewees said that they wanted practical advice on money management and budgeting (58 per cent) and advice on how to get out of debt (56 per cent). Many also said that they wanted advice about the benefits they are entitled to (48 per cent). Furthermore, across all non-prison outreach locations, a relatively high percentage of 39 per cent mentioned that they would like to receive emotional support from an adviser. This is not surprising, given the impact debt problems have on people's well-being. Similarly, among prison interviewees advice on how to get out of debt, advice about benefits, advice on managing debts upon release and whilst in prison and emotional support were frequently mentioned.

As can be seen, practical advice on money management and budgeting is a popular form of advice. For people managing on a limited income, as is the case for many of the interviewees, effective budgeting takes on a crucial importance if all necessary household expenditure is to be met. The findings imply that general money advice, in
addition to debt advice, may be something that could be provided under the money advice outreach pilots. This has the potential of preventing debt problems occurring. For those without access to mainstream banking, irrespective of whether they are in debt or not, general money advice could help them to understand the range of options open to them (e.g. basic accounts).

All these results point towards the money advice outreach pilots providing some training on money management and budgeting, either separately or as part of the debt advice provided (as many debt advisers will invariably do as part of every advice session). Improved budgeting skills – whilst recognising that even with excellent budgeting skills some people’s household income is too low to always make ends meet – could prevent debt problems escalating or even arising in the first place.

The need for budgeting and money management skills further highlights that using the term *money* advice, as opposed to *debt* advice, is appropriate for the money advice outreach pilots. Many interviewees could benefit from debt advice, but many could clearly also benefit from more generic money advice: how to manage money and budget effectively, how to avoid debts arising or escalating, where to get mainstream advice from, and their benefit entitlement. Of course, not all of these needs can be met by the money advice outreach pilot projects.

Of interest, financially excluded interviewees tended to feel that what they needed was general money advice or simply just ‘anything’ that could possibly help them. This could indicate that financially excluded groups are not able to say specifically what advice they need for managing their money. Effective and proactive outreach advice might help them to address their individual needs.

All interviewees were shown a list of possible outreach locations: in other words locations in which money advice services are not traditionally provided. Interviewees generally expressed a preference for money advice services in the locations they were interviewed in, or in locations that they normally frequented. For example, a high percentage of family and children centre interviewees said they would like to use money advice services at a school (30 per cent). There was some evidence that Job Centres would be a popular location for delivering money advice outreach. A great majority of prison interviewees (62 per cent) said that they would like to use money advice services at a Job Centre upon release, reflecting high levels of unemployment among people who have been to prison. Job Centres were also cited by 40 per cent of interviewees in the credit unions surveyed as a location, in which they would like to see money advice, by 34 per cent of interviewees in community centres, 33 per cent of interviewees in family and children centres and 32 per cent of interviewees in housing offices. Given the high unemployment figures among all interviewee groups, Job Centres seem to offer a credible location for money outreach advice.

A few interviewees thought that money advice services in their location would be a good idea, but that appropriate advertising was crucial in order to make potential users aware of the service. The mere offer of advice does not guarantee success. Clearly, those involved in providing debt advice under the money advice outreach pilots need to advertise and promote their services in order to reach all potential clients. Promoting outreach advice effectively also includes oral advertising in order to reach those with literacy difficulties.

People reported that their money problems had a significant impact on their lives, influencing their worry levels and their future outlook. Together with findings that many people would like emotional support from a money adviser, this demonstrates
that debt advisers are required to be sensitive to the psychological impact of money problems on people’s lives.

Interviewees felt that money advice services in the outreach locations surveyed would be a good idea as long as there was a private room or area to discuss matters. Feedback from interviewers showed that private rooms or areas were not always available for fieldwork interviews, or in some cases were difficult to get to for people with mobility problems. It is therefore important for the money advice outreach pilot projects to ensure that an easily accessible and separate room or area is available for confidential money advice.

Lastly, the majority of prisoners would prefer receiving advice at the beginning of their sentence (38 per cent). Many, however, also state that they would like to receive advice on debt problems throughout their time spent in prison (14 per cent). Twelve per cent would like it shortly before leaving prison, and 9 per cent in the middle of their prison sentence.

**Different types of outreach advice**

The survey focused on ‘fixed’ outreach services, i.e. outreach in community-based settings and in prisons. Interviews were conducted in pre-determined locations with a view to establishing whether target groups used them.

However, whilst financially excluded and ‘hard-to-reach’ groups do use the outreach locations surveyed, not everybody will be reached through this form of outreach delivery. In particular, those who experience extreme forms of financial and social exclusion, and are unlikely to frequent any institutional setting such as a community centre or family and children centre at all, may require more ‘aggressive’ or proactive forms of outreach delivery. This may take the form of ‘roaming’ outreach advice: targeting specific groups on a just-in-time basis to reach those who do not visit any public settings and are particularly ‘hard-to-reach’. The second phase of the evaluation of the money advice outreach pilots will include findings on the setting up of roaming outreach services and their efficiencies from the provider perspective.

It is also worth pointing out that the geographical clustering of potential clients detected in the non-prison locations surveyed lends itself to outreach advice. Many people lived close by and found it very easy to visit the outreach location. Reaching out to people in areas where there are no clusters of disadvantaged people in potential need is even more challenging. In these more dispersed pockets of deprivation, roaming outreach advice is more likely to reach people in need of advice than fixed outreach advice in a location not convenient.

**The continuum of financial exclusion**

The results give further credence to the argument that financial exclusion exists on a continuum, with the boundaries between financial exclusion and financial inclusion being ‘fuzzy’. As shown in Chapter 5, a minority of interviewees were ‘fully’ financially excluded (households or individuals with no current account and no other financial products). Another group consisted of people who had no current account but had other financial products. A third, small group had current accounts but did not use them for day-to-day money management. A range of associated indicators of financial exclusion means that, even if people are not experiencing financial exclusion at a given point in time, they could become financially excluded in the
future in the absence of adequate policies to avoid a downward spiral.

Given the continuum of financial exclusion, we recommend that it is important that the money advice outreach pilot projects do not have to adhere to a tight definition of whom they are allowed to provide advice to.

Public legal education and financial capability

In order to access mainstream advice services, people need to be aware of and confident in using this type of advice provision. Survey results show that outreach location users in the family and children centres and in the credit unions surveyed have a particularly poor awareness of local mainstream advice provision. Similarly, many prisoners did not seem to be aware of the services provided in their prison, be it money advice or other advice services.

It is important to close knowledge gaps regarding the availability and accessibility of mainstream advice. The survey therefore also points to the importance of public legal education. Over recent years, there has been increasing policy concern in the UK regarding whether citizens are equipped with sufficient legal ‘know-how’. In January 2006 the Department for Constitutional Affairs (DCA) announced a Public Legal Education and Support (PLEAS) Task Force. This comes after national government strategies have recently been developed for both consumer education and financial capability.

It is clear that many of the interviewees would benefit from a greater awareness of mainstream advice provision. They could also benefit from developing confidence when dealing with legal issues, such as debt problems, and from being able to recognise a legal issue at an early stage and knowing where to go for initial advice. Increased knowledge and confidence in issues relating to money problems might also include the realisation that advice from family, friends or creditors might not be the best source of advice.

In addition to the importance of public legal education, the survey also highlights the importance of financial capability initiatives. Results demonstrate that interviewees in all outreach locations surveyed see a need for advice on money management and budgeting, as discussed above. Also, a number of interviewees who were financially excluded reported not knowing what their total household income was. This points to poor knowledge of income levels and poor access to, and knowledge of, mainstream banking being inter-related. However, on the other hand, financially excluded interviewees tended to be more aware of how much money they had available for everyday household expenses than financially included interviewees.

Furthermore, financially included interviewees in non-prison outreach locations tended to want more advice and support than financially excluded interviewees did. This might be a reflection of financially included interviewees being more aware of the types of advice available and being therefore more explicit about the advice and support they need. It may also indicate that financially excluded interviewees might not know that money advice would help them address their problems.

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162 The Public Legal Education Taskforce will report in 2007 and aims to develop and promote the case for a national strategy on public legal education. See www.pleas.org.uk.
It is of concern that many of those who experienced financial exclusion had dependent children living with them. These children would therefore not see their parent(s) using mainstream banking services routinely and confidently. Encouraging parents to access and feel comfortable using a basic or current account would benefit their children, as they would become familiar by proxy with mainstream financial products.

Interviewees themselves saw the interconnection between the experience of debt issues and financial capability. For example, a prison interviewee spoke about enjoying himself when he had money and spending it. He concluded that he needed advice on managing his money to provide him with greater security and planning.

Lastly, different population groups have different financial capability needs. Targeted information leaflets or classes might be beneficial. Financially excluded women in the family and children centres surveyed require different information from a prisoner just starting his prison sentence.

10.9 Final Conclusions

As set out in Chapter 1, the broad policy background to the money advice outreach pilots reflects key Government concerns: tackling financial and social exclusion, helping people to address their debt and providing outreach advice to meet the specific needs of disadvantaged and ‘hard-to-reach’ individuals. The findings set out in this report show that the money advice outreach pilots are relevant to all these concerns. The results offer new insights as well as confirming previous research findings. The results should also be of interest to outreach advice services other than money advice.
11. References


