



Unite submission to the Money and Pension service call for evidence on access to debt advice during the Covid-19 pandemic

This response is submitted by Unite the Union. Unite is the UK and Ireland’s largest trade union with 1.4 million members across the private and public sectors. The union’s members work in a range of industries including all the manufacturing and transport sectors, financial services, print, media, construction, local government, education, health and not for profit sectors.

Unite is the biggest trade union in the community and not for profit sector and represents a large number of members that work in advice organisations, such as community legal aid, law centres, and CABx. Unite has members in charities that support and advocate for vulnerable people such as Shelter and Mind, as well as trade unions and other organisations that provide support and advice for the public.

Unite is also the biggest trade union for debt advisors and as a result of growing concerns about proposed changes to debt advice a new national organisation has been formed with hundreds of members across the UK - Unite Debt Advice Network (UDAN). UDAN campaigns for improvements to jobs, pay and conditions of Unite debt adviser members, including improved service to debt advice clients.

There is a wealth of debt advice experience among our members from across many organisations in the sector, and we will be very happy to discuss these issues further in meetings or additional evidence.

Introduction

- i. Money & Pensions Service (MaPS) is the largest funder of face-to-face community-based debt advice, and the decisions that it makes have significant impacts on our members’ jobs and services.
- ii. On 23 September, MaPS published this call for evidence asking debt advice providers about access to advice during the pandemic. Unite welcomes the chance to respond to this call for evidence, but strongly feels that this research should have been completed before a new contract tender process was started.
- iii. Unite is extremely concerned by proposed changes to the recommissioning process. Evidence Unite has seen shows that funding of community-based face-to-face debt advice is to be reduced by between 50% and 60% from April 2022.

- iv. The changes proposed will have a huge impact on the structure and funding of debt advice services, and lead to a programme of service cuts and redundancies that have grave implications for debt advice workers and for clients who seek their help.
- v. This is happening in the face of an anticipated surge in demand, following the end of furlough, the end of the moratorium on evictions, the £20 reduction in universal credit, the National Insurance increase and rising energy costs. It simply makes no sense to cut the supply of expert advice when it will be needed now more than ever before.
- vi. The emphasis is to be shifted from face-to-face advice towards centralised call centre webchat and video call services. These work well for many people, but a large number who need debt advice most urgently are only able to deal with their situation in person.
- vii. Almost any member of the public who would normally be capable in their day-to-day affairs can fall to pieces under the strain of complex, overwhelming debt. Face-to-face advice creates a bond of trust that cannot be achieved on the telephone. Human communication is significantly non-verbal, a face-to-face adviser can see whether a client understands, whether they look confused, and the adviser can see the eviction notice hidden in the bag of crumpled, often unopened, paperwork.
- viii. This is especially important for the most vulnerable clients, clients with complex cases, digitally excluded people or people without English as a first language.
- ix. Unite is concerned that proposed funding arrangements will lead to the following problems:
 - **Some constituencies will be left with no local face-to-face debt advice services.** This will increase pressure on other professionals, including other advice services, social workers, healthcare workers and Parliamentary caseworkers, who will find it more difficult to access specialist debt advice for their clients
 - **More clients will be directed to telephone or online services** which may not be appropriate for their needs. This will lead to more clients not engaging with debt advice, or receiving incomplete advice which is not suitable for their situation.
 - **Higher long-term costs.** Providing access to advice is ultimately cost-saving. One recent estimate suggests each client receiving free specialist legal advice saves government £8,000 in other costs in the first yearⁱ
 - **Smaller organisations will be excluded.** The new contract includes clawbacks of funding based on as-yet-unknown infringements of terms. This means many independent advice agencies will be unable to take the financial risk, and will not bid for inclusion as a result. This risks excluding small services which are often the most closely embedded in their local communities.
 - **Local connections lost.** Community-based debt advice succeeds because of good links with other agencies. Close connections with other charities, councils, jobcentres, and even local bailiffs enable face-to-face advisers to quickly resolve problems. Moving services into regional or national call centres breaks these productive city-level working arrangements, to the disadvantage of all parties.
 - **More debt advisers will leave the sector permanently.** MaPS-funded advisers are already paid on average over than £1,000 less a year than debt advisers funded from other sourcesⁱⁱ, MaPS-funded advisers have unsustainable workloadsⁱⁱⁱ, and are already

doing an average of almost 6 hours a week in unpaid overtime to keep up^{iv}. These factors have contributed to experienced advisers leaving the sector and a recruitment crisis as debt advice vacancies are now difficult to fill^v.

- x. To compound matters Unite is also aware that the national Citizens Advice are starting to consult local project CEOs about 'winding down' the current contract and not taking on new casework which will extend beyond 31 March. This is evidence that the transition period from the current contract to the new contract is also likely to see a decrease in capacity, at a time when demand is rising.
- xi. Many of our members have been involved in frontline debt advice for decades, and understand their work and the communities they serve better than an external funder. This vast grassroots expertise has never been consulted when these contracts were created.
- xii. Unite Debt Advice Network is therefore callings on MaPS to urgently:
 - **Suspension of the recommissioning process for 12 months to allow time for independent research into the future demand for advice and a full impact assessment.**
 - **Immediate suspension of the Debt Advice Peer Assessment (DAPA) process. No loss of debt adviser jobs and an increase in funding for community-based face-to-face services.**
 - **Consult with frontline advisers through their trade union in all future decisions affecting jobs and service delivery.**

Consultation questions

1. **What are your reflections on the impact of the closure of face-to-face debt advice services, particularly for those customers more likely to have been struggling financially prior to the pandemic?**
 - 1.1. Unite members report that these changes had a significantly detrimental impact on their work in debt advice. Even before the pandemic MaPS funded debt advisers were unable to cope with workload due to excessive numeric targets and the bureaucratic quality monitoring regime (DAPA).
 - 1.2. In this context, the only reason that closing face-to-face services was not catastrophic was due to the suspension of many factors driving clients to seek advice (e.g. suspension of bailiff and possession proceedings, FCA forbearance measures on most consumer debt and mortgages, furlough scheme etc.)
 - 1.3. While there is a place for fact sheets, telephone helplines and online advice, what is most effective is one to one support and face-to-face advice. This is due in many cases to the complexity of the issues people face. Many also face barriers in tackling the problem themselves – such as language, literacy, mental health issue etc, and the intransigence of some third parties.

- 1.4. Unite members report that the withdrawal of face-to-face support will substantially affect the following groups:
- **Vulnerable people.** Debt advisers' day-to-day workload includes addiction, domestic abuse and homelessness. 82% of debt advisers help clients with mental health problems more than once a week^{vi}
 - **Digitally excluded people.** Lack of internet access, for poverty and other reasons, is double the national average among some debt advice clients^{vii}
 - **Non-English speakers.** MaPS previously provided telephone interpreters, but this has been removed from the new contract. This means non-English speakers will face an extra barrier to getting help, disproportionately affecting ethnic minority communities.
 - **Complex cases.** Face-to-face debt advisers excel at technically complex cases, which can be impossible without sight of documents. Such cases cannot be handled by phone or online.
- 2. What changes, if any, did you see in the socio-economic and/or demographic profile (e.g. age, gender, ethnicity, disability status) of your client base during the pandemic?**
- 2.1. Unite members report several major changes to their client base during the pandemic. Advice centres are reporting that there was an increase in non-English speaking clients seeking advice compared to before the pandemic^{viii}. This experience chimes with research from the Resolution Foundation^{ix} and IPPR^x on Covid debt problems being worse among ethnic minorities. As stressed above migrant workers are likely to be among the groups most negatively impacted by a move away from face-to-face advice.
- 2.2. Members also report that those debt advice clients who were most likely to need face-to-face advice ironically benefitted most from emergency measures introduced by the government (e.g. £20 weekly Universal Credit/tax credit uplift, increase council tax reduction).
- 2.3. A lot of these most vulnerable clients disappeared from view during the pandemic and have not yet returned in numbers. This may have been in part because these clients who could previously access services in person were unable to navigate phone/online services.
- 2.4. There are also concerns that, for some vulnerable clients, accessing advice at home was not possible or safe (e.g. domestic abuse cases).
- 2.5. Members expect that issues such as the Universal Credit cuts, energy prices, NI rises and others start to bite many of these clients will begin to return. If these people can no longer access services face-to-face many may not engage with phone/online alternatives leading to more acute crises and interventions for other services.
- 3. Reflecting on any changes you made to your service delivery model during the pandemic, what impact did these have on the type of the cases you were seeing during that time, either in terms of complexity or urgency/priority?**
- 3.1. According to research for the IMA, 72% of advisers say they are dealing with more complex cases than before the pandemic^{xi}. This is part of a larger trend as case complexity was

already increasing before the pandemic as a result of the government's austerity programme, wage stagnation and other wider economic trends.

- 3.2. Similarly 82% of advisors now report dealing with clients with mental health problems more than once a week^{xii}.
- 3.3. As a result 77% of advisers report doing more unpaid overtime now^{xiii} compared to 66% before the pandemic^{xiv}.
- 3.4. As raised above there were fewer legal emergencies (e.g. imminent evictions) during pandemic due to government action such as court closures and the suspension of bailiffs, but anecdotally there were far more emergencies in terms of the basics of life such as the inability to afford food and other basics.
- 3.5. Dealing with complex/vulnerable cases also takes a mental health toll on debt advisers themselves. New MaPS contracts insist that contractor provide 'wellbeing time' – "*irregular time spent on pastoral activities as a result of Customer interaction*". However well-meaning, this is not the solution. The issue is that workloads are too high.
- 3.6. Unite stresses that it cannot be assumed that because debt advice services stayed open during lockdown using remote channels that this is replicable as client numbers increase and the vulnerable/complex cases deferred during lockdown return.
- 3.7. There is a strong feeling amongst debt advisers that Covid is being used as an excuse to move away from face-to-face provision as these changes had been implied by both the Wyman report^{xv} in 2018 and MaPS research^{xvi} and also confirmed in black and white by DWP departmental review into MaPS published on 1 November^{xvii}.

4. How has the pandemic affected the way you deliver debt advice?

- 4.1. Unite members report that advisers have made do with remote options during the pandemic. This has mainly been on the phone advice as there was generally a low uptake of video conferencing. Video calls were useful for some clients but many don't like or can't use the technology, especially the most vulnerable.
- 4.2. Advisers who relied on home visits (rare among MaPS contract workers) couldn't use that method and the feeling across Unite's Debt Advice Network is that a return to face-to-face is critical to provide the service that is needed.
- 4.3. Of course new technology has its place and many will continue to use it to support conventional delivery for clients with straightforward cases, but it cannot replace face-to-face support.
- 4.4. For complex/vulnerable cases face-to-face support must be available. Virtual support misses crucial visual clues about health, empathy and non-verbal communication, and it is also difficult to assess complex legal cases without sight of the client's paperwork and time to work through it all.

4.5. Unite is clear therefore that remote options should be an additional resource for clients rather than a replacement for face-to-face services.

5. How did the closure of in-person services affect how you engage with your community networks as sources of client referrals for debt advice, and how did you adapt your approach?

5.1. Unite members report concerns that the closure of in-person services has the potential risk of moving demand for face-to-face support onto existing non-MaPS services which then risk being overwhelmed and often don't have any resources to expand their services.

5.2. The threat to slash funding by 50 per cent will mean redundancies for debt advice specialists and a much-reduced face-to-face services for people in need of help. Services which are having MaPS funding reduced or removed will struggle to locate alternative sources of funding – e.g. local authority funding of debt advice plummeted – therefore some face closure.

5.3. Unite is concerned that this may result in advice deserts opening up across England. Many areas will see reduced access to debt advisers and some services will close altogether. For example In Leeds, three out of four MaPS-funded debt agencies expect that they will no longer be able to provide debt advice after 31 March.

6. What were the challenges and opportunities, and how can MaPS capitalise on these opportunities in the design and delivery of future debt advice services?

6.1. As has been reported throughout the changes introduced led to substantial challenges. These included difficulties reaching vulnerable clients, and maintaining engagement with them.

6.2. Advisers report professional frustration at not being able to do their job properly and letting service users down. They also raise concerns of the increased isolation for advisers working remotely and the impact this is having on their mental health. Caseloads are increasing and this has also led to stress worsening. Financial pressures and low pay are also impacting on debt advisers - MaPS funded advisers are lowest paid in the sector^{xviii}. Unsurprisingly this all leads to continued problems recruiting and retaining advisers on MaPS contracts.

6.3. That all said there are also some opportunities if advisers are engaged with in the process and solutions agreed upon. For example the changes have accelerated the move away from letters towards emails (e.g. when communicating with creditors) which has sped up some discussions and saved organisations money.

6.4. New communication methods (e.g. video meetings) have provided opportunities for improvements in some situations which are welcome as long as this is to support the services rather than replace face-to-face advice. A typical advice journey for example might involve 1 or 2 in-person sessions plus further contact by phone, and Zoom should the client be comfortable. This would be an additional resource rather than a replacement.

7. Please provide any evidence to support your answers to the above questions. Note: this does not need to be of a publishable standard.

- 7.1. Unite is concerned that the new contracts are not based on up-to-date research.
- 7.2. The new MaPS contracts are based on research carried out before the pandemic^{xix}. The assumption seems to be that as advice providers managed to operate remotely during the pandemic, it must be possible to continue that way.
- 7.3. As has been stressed throughout, this ignores the fact that debt advice demand dropped and many vulnerable clients did not engage with debt advice in that time, as temporary forbearance measures reduced the 'push' towards seeking advice. In fact, 72% of debt advisers report that their casework is more complex now than before the pandemic^{xx}.
- 7.4. In the end notes there are several reports that should be included in MaPS evaluation of this policy and Unite would be happy to facilitate constructive discussions, consultation and negotiations on making the new system fit for purpose with our debt adviser membership.
- 7.5. The DWP departmental review of MaPS^{xxi} published this week made an interesting observation:

“MaPS’ Board composition also lacks representation from any form of end-user voice. It boasts a roster of highly capable and experienced individuals who understand about business leadership, governance, entrepreneurship, policy making and academia; what it lacks is anyone with any recent experience of frontline delivery of the services MaPS exists to provide. Participation of this kind would bring greater diversity of experience and perspective and could strengthen the Board’s decision-making.”

- 7.6. It went on to recommend that:

*“The composition of MaPS’ Board should be reviewed with reference to the future needs of the organisation (working with the DWP partnership team to **add someone with front-line customer experience, for example in debt advice, to the Board in line with the scheduled cycle of appointments.**”*

- 7.7. Unite would support this recommendation and Unite would happily encourage a representative from our debt advisor membership to step forward. It is crucial that this person understands the experience of frontline advice and Unite strongly believes that this cannot be solely drawn from management but must also include a frontline service adviser.

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This evidence was submitted on behalf of Unite the Union by:

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- ⁱⁱ Institute of Money Advisers, April 2019, *Salaries in the Debt Advice Sector*. Available at: <https://www.i-m-a.org.uk/salary-survey/> (p.8)
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