



Introducing the Standard Financial Statement



Who created the SFS?

THE
UKCARDS
ASSOCIATION

DRF
DEBT RESOLUTION FORUM
Promoting Professional Standards

adviceⁿⁱ
the independent
advice network

RBS


The Insolvency
Service

StepChange
Debt Charity

MONEY
ADVICE TRUST
BUSINESS DEBTLINE NATIONAL DEBTLINE WIDEL ADVISOR
ADVICE YOU CAN TRUST



christians
against
poverty
CAP



moneyadvicescotland
Scotland's Money Charity



advice UK

bba
The voice of banking


ACCOUNTANT
IN BANKRUPTCY
SCOTLAND'S INSOLVENCY SERVICE

HSBC 

**citizens
advice**

**citizens
advice** Northern
Ireland

**citizens
advice
scotland**

**LLOYDS
BANKING
GROUP** 

PayPlan
live again



What is the SFS?



A single format financial statement for use by advice agencies and creditors which is replacing the other existing formats in use



A single set of common fixed and flexible expenditure categories



One set of spending guidelines (or trigger figures)



A savings category to build financial resilience



Developed in collaboration with major advice providers, creditors, trade bodies and others





Client

- Remove inconsistency in I&E gathering and potential outcomes
- Remove stress of repeated budget gathering
- Build in savings



Data sharing across organisations

- Potential for easier passing of client data between organisations
- Multiple referral examples
- Smoother and quicker journey reaching outcomes sooner



Creditors

- Single set of spending guidelines



- Acknowledged that many clients don't have means to save, but valuable to build discussion into debt advice process
- Non-mandatory. Limit of up-to-10% of monthly budget surplus with £20 cap
- Intended to build savings behaviour and increase resilience to financial shocks
- Major creditor / insolvency bodies supportive, recognising benefits to customers, increased sustainability and transparency
- User guide makes clear to advisers to consider priority debts before savings

1 March 2017

- Multiple advice providers begin using SFS
- Creditors fully prepared to receive
- Insolvency Service Eng&Wal
- IVA Protocol



March 17 – March 18

- Period to allow remaining advice providers to transition to SFS
- SFS will be in use alongside other statements
- AiB provisional date of March 18



From April 18

- Expected date of all advice provs using SFS
- Switch off of other statements (CFS / SC)
- Large number of creditors build into collections





www.sfs.moneyadvice.org.uk



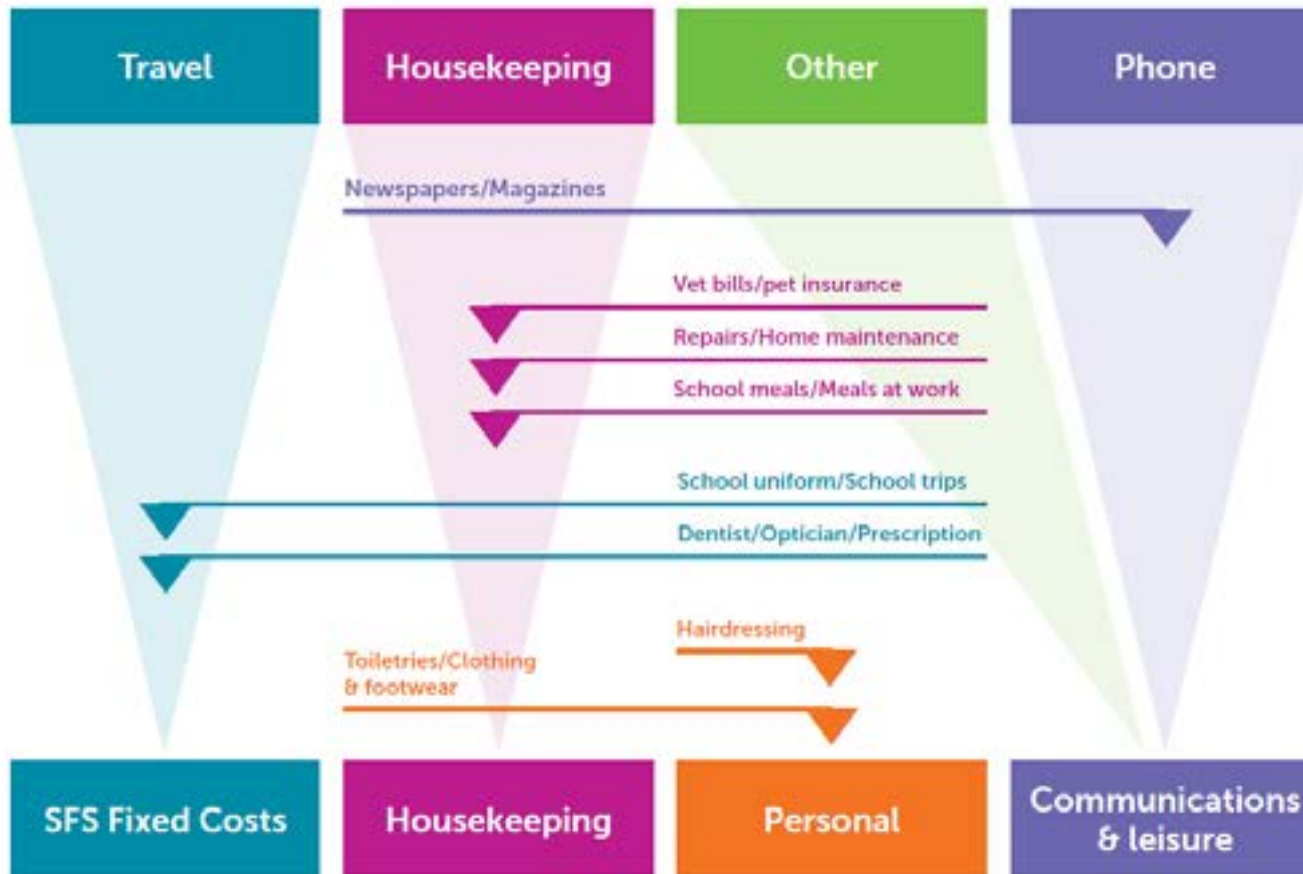
[SFS.Support@
MoneyAdviceService.org.uk](mailto:SFS.Support@MoneyAdviceService.org.uk)

What has changed with SFS?

- Key point here to be alive to the changes to the format brought by SFS. This is not only crucial for filling out the form but also correctly assigning expenditure to the corresponding Spending Guidelines
- This also helps to highlight how a comparison of, for example, CFS and SFS Housekeeping Spending Guidelines values is problematic

SFS / CFS comparison

CFS Flexible Categories



CFS 'Travel'

Moves in its entirety to SFS Fixed Costs

CFS 'Housekeeping'

Newspapers/mags to Comms & Leisure

Toiletries and Clothing & footwear to Personal

CFS 'Other'

Majority moves to Comms & Leisure

Pet, school meals, repairs expenditure to Housekeeping

Health-related categories move to Fixed Costs

Hairdressing to Personal

CFS 'Phone'

Moves in its entirety to SFS Comms & Leisure

Removed from CFS, not in SFS

Narcotics

Gambling/lottery

SFS Categories

Methodology broadly similar to CFS, with minor adjustments

- Uses LCF survey, analysing expenditure from the bottom quintile
- Applied to new format using same household members building blocks (first adult, additional adult, children U16, children 16-18)
- Uses two years of data rather than one
- Cut off for children changed from 14 to 16

- MAS tested 80 CFS archive cases and 1500+ households using the ONS survey
- Governance members such as PayPlan, AiB, CAP, StepChange have undertaken further testing, with Citizens Advice and MAT to come
- Broad findings show levels of allowance very similar to the CFS
- MAS have also mapped past years to ensure stability of model
- Governance group comfortable with testing to proceed with launch, though figures will be closely monitored across the first year of SFS

- 3 different test cases
- Fill out a budget using the attached data, remaining conscious of the new format and corresponding Spending Guidelines
- Use post-it notes to record any issues or observations and stick to wall print outs. Pink = functional, Blue = policy
- Gather general feedback and appoint a spokesperson to report back on 2-3 top items
- Some examples of feedback themes we're looking for below – this is not a test of debt advice provision!
 - General feedback on flow of new format
 - Reactions to Spending Guidelines and assigning expenditure correctly
 - Use of savings

- Contact email for SFS
sfs.support@MoneyAdviceService.org.uk
- Download the 2014 consultation paper
<https://www.moneyadvice.service.org.uk/sfs-consultation>
- Download the consultation response
<https://www.moneyadvice.service.org.uk/sfs-consultation-response>
- Visit the SFS website
<https://sfs.moneyadvice.service.org.uk/>
- Find out more about our debt work
<https://www.moneyadvice.service.org.uk/our-debt-work>
- Download the latest publications relating to our debt work
<https://www.moneyadvice.service.org.uk/debt-publications>