Access to debt advice during Covid-19

A qualitative study of the effect the closure of in-person services during the pandemic had on the accessibility and delivery of debt advice in the UK

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Contents

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We would like to thank members of the UK Challenge Group, our funded debt advice organisations, and colleagues from across the Money and Pensions Service, who helped shaped the development of this report and whose input throughout the process was invaluable. We would also like to thank everyone who responded to our call for evidence and who agreed to be interviewed.

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1. Foreword

Having worked in the debt advice sector for 20 years, I never thought I would witness the pace and scale of change to the delivery and accessibility of debt advice that we have seen in the last two years because of the pandemic.

I am incredibly proud of my colleagues from across the debt advice sector for the resilience and adaptability they showed in responding to the Covid-19 crisis. From adjusting to the initial shock of the emergency lockdown measures, to managing long periods when in-person services were shuttered and staff had to work remotely, the dedication and creativity displayed was admirable.

But with every crisis comes an opportunity to learn lessons. While demand for debt advice fell during the pandemic, we heard anecdotally how some groups already vulnerable to financial shocks were disproportionately affected by the closure of in-person services. This report tests that hypothesis by drawing on rich qualitative data from a call for evidence we launched last autumn, and interviews with debt advice organisations and groups working with different communities across the UK.

We are cautious not to draw any firm conclusions in the report given the unique circumstances we are still in because of the pandemic. But what we can at least say from our own data and data shared with us is that at a national level client demographics remained stable during the pandemic.

This does not mean that some individuals in vulnerable circumstances were not adversely affected by the closure of in-person services. And we know the experiences of clients will have differed across towns, cities, regions, and nations. That is why we have cast the net wider with this report to understand the experiences of clients and advisers during the pandemic more generally, and to offer some key insights on how debt advice has been shaped by the response to the pandemic and the implications this may have for how services could be delivered in the future.

We are extremely grateful to everyone who has contributed to this report. We see it as the first in a number of pieces of research we will do, in collaboration with colleagues from across the debt advice sector, to understand the impact of the pandemic on debt advice.

We hope you find the report interesting, and we look forward to speaking to you about it in the coming months. Let me once again place on record my thanks to everyone for their hard work and commitment in keeping debt advice services running during a period of incredible upheaval and change.

Anna Hall,
Head of Money and Debt Operations

2. Executive Summary

The rapid closure of in-person public services during the Covid-19 pandemic had a profound effect on the accessibility and delivery of debt advice in the UK.

Our own research, and feedback from the debt advice sector, told us that some groups already vulnerable to financial shocks were more likely to be negatively affected by the pandemic. As such, we wanted to look more closely at how far the closure of community based in-person debt advice services disproportionately impacted any of these groups.

To do this, we launched a call for evidence in late September 2021. We also carried out a number of semi-structured interviews with key stakeholders to understand the effects of the closure of in-person services on people in vulnerable circumstances, and to reflect on how debt advice and other related services can be more resilient to sudden and lasting shocks.

Responding to the immediate lockdown and the transition to remote delivery

While the debt advice sector adapted swiftly to manage the disruption caused by Covid-19, the pandemic tested the debt advice sector's business continuity planning, referral networks, and infrastructure to support remote working.

But despite the initial upheaval, debt organisations were able to adapt, from broadening and formalising their links with community partners to make the debt advice referral process more resilient, to increasing direct promotion and marketing to raise awareness of their services.

For advisers and the wider debt advice workforce, the impact of the initial lockdown and the transition to remote delivery was testing, with some finding the move to home working challenging.

Adapting to the next phase of the pandemic

Adjusting to the immediate health, social, and economic impacts of the pandemic, debt advice organisations have started to plan and re-design their services accordingly.

The move to a digital-first model during the pandemic helped some organisations manage capacity and service availability more effectively. Investment in digital e-signature platforms and secure document transfer and storage solutions also made services easier to access and more convenient to use during the pandemic.

While the purpose of this research was to identify whether the closure of in-person debt advice services disproportionately excluded some clients from advice, it also provided valuable insight on the client experience more generally during this time.

Both behavioural and structural barriers prevented some people from accessing debt advice remotely. Online safety and security concerns, limited digital skills, poor connectivity, and the cost of data were all factors stopping some people from going online for debt advice. Yet, a digital and telephone service also brought benefits for clients by making appointments easier and interactions less stressful for some people in vulnerable circumstances.

Responses from debt advisers to our call for evidence tended to be more negative compared to those submitted by debt advice organisations. According to some advisers, delivering debt advice remotely was more complicated and time consuming, which negatively affected the wellbeing of the debt sector workforce. Yet, while some advisers found working from home during the pandemic challenging, others relayed positive stories about their experiences in terms of better work/life balance.

Digging Deeper: the impact the closure of in-person services had on clients and cases

Looking more closely at whether the closure and reduction of in-person debt advice services during the pandemic systematically prevented some groups from accessing debt advice, an analysis of our own data and data shared with us by our funded agencies did not show any significant changes in the types of clients accessing debt advice before and during the pandemic.

Women, single parents, renters, and younger people (under the age of 40) continued to be overrepresented in caseload data. These findings are in the context of a sharp drop in clients accessing debt advice at the start of the pandemic. We do not know—and may never know—who was not able to access debt advice during this time.

But, at a macro-level, the closure and reduction of in-person services does has not appear to have disproportionately excluded any specific client group. Time will tell if the profile of debt advice clients changes as demand for debt advice increases as expected.

Looking ahead

Looking ahead to how the experience of the pandemic could shape debt advice in the future, four insights have emerged from this research that will help us reflect on how the debt advice sector can work together to build resilience and improve accessibility in times of crisis.

1. In-person debt advice services delivered in community settings will continue to best meet the needs of some clients, particularly for those dealing with more complex problems.
2. There is an opportunity for greater collaboration between advice providers to meet clients' needs. Related to this is the importance of recognising and adapting to the wider ecosystem in which debt advice sits. Many organisations have already taken steps to broaden the range of partners they work with to widen access to their service.
3. Technology will play a greater role in building resilience and enabling more flexibility in the way debt advice services are delivered in the future. It is critical that services are modelled around retaining some elements of end-to-end remote advice for the foreseeable future.
4. A sector-wide approach to supporting workforce wellbeing should be developed, particularly as we move towards more hybrid forms of working. Debt advice organisations must ensure their staff can continue to work flexibly and receive training and support to develop the skills and experience they need to build rapport and trust with their clients when working remotely. Even as offices reopen, many organisations will operate a hybrid model of work. For those organisations considering a return to an exclusively office-based model, we encourage them to consult their staff first.

We believe these insights presented together offer a positive vision for the future of debt advice in the UK. We will continue to work with our funded organisations and wider stakeholders to consider how these opportunities can be capitalised on in the design and delivery of debt advice services in the future.

3. Introduction

When we published our UK Strategy for Financial Wellbeing in January 2020, we set a shared goal of having two million more people accessing free, high-quality debt advice by 2030. Through our Better Debt Advice Challenge Group, we brought together thought leaders from debt advice, financial services, and devolved governments to identify ways to achieve this goal. However, little did we know that within weeks we would be amid a global pandemic that would shut down the majority of in-person public services across the UK.

For debt advice organisations, particularly those who predominately offer advice in person, the lockdown had a profound effect on the service they offered. Drop-in services were shuttered, debt advisers and clients could no longer meet in person, and paperwork could not be exchanged and signed. And without their colleagues nearby for guidance and support, advisers had to adapt to a completely different working environment. Yet, despite these challenges, debt advice organisations across the UK displayed remarkable resilience and creativity in keeping services open and accessible.

> Debt advice organisations across the UK displayed remarkable resilience and creativity in keeping services open and accessible.

The number of people presenting for debt advice has fallen since the start of the pandemic and has only recently begun to return to pre-pandemic levels. Government-led action to protect people's incomes, to defer repayments, and to temporarily stop enforcement action in some sectors helped curb demand. Behavioural factors are also assumed to have played a role as people adopted a wait-and-see mentality while the changing nature of the pandemic and its impact on people's finances remained uncertain. Additionally, we and our sector stakeholders were concerned that the closure of in-person services had also suppressed demand, leaving some groups already vulnerable to financial shocks unable to access debt advice during the pandemic.

As the significant health, social, and economic effects of the pandemic became clearer, we and our independent challenge chairs commissioned five separate **rapid evidence reviews on financial education, saving, credit use, debt advice, and pensions**[1] to help us understand the impact of the pandemic on our UK Strategy goals and financial wellbeing more generally.

Building on the insights from these, and a recommendation from the Better Debt Advice Challenge Group, we wanted to look more closely at the effect the closure of in-person debt advice services had on the accessibility and delivery of debt advice in the UK, particularly for those groups already vulnerable to financial shocks. These groups included the digitally disengaged, people presenting with certain complex needs, people with caring responsibilities (particularly mothers with dependent children), people with mental health problems, migrants with English as a second language, and young people at risk of long-term unemployment. While not assuming that any of these groups would automatically choose to use in-person services for debt advice, our focus was on understanding the extent to which any of these groups were disproportionately affected by the closure of these services.

To support our research, we launched a call for evidence (see Appendix A) in late September 2021 to hear the views of the those working with and within the debt advice sector on whether there was an unserved population for debt advice due to the closure of in-person services.

We received 28 responses from a range of individuals and organisations working with or within the debt advice sector. We also carried out a number of semi-structured interviews with our funded debt advice organisations, MaPS colleagues, and groups working with different communities across the UK.

1 MaPS, **The impact of Covid-19 on financial wellbeing** 27 May 2021

The insights from the call for evidence and interviews have helped us both to understand the effect the closure of in-person services has had on people in vulnerable circumstances[2], and to reflect on how debt advice and other related services can be more resilient to sudden and enduring disruption.

Using the insights from this research we can begin to draw lessons on how services might be designed and delivered in future to reach and engage people in vulnerable circumstances, and to support organisations to put in place the right business continuity policies and procedures to manage system-wide disruption to services.

The following is both a summary of what we heard and a consideration of the actions we can take to support and collaborate with colleagues across the debt advice sector to deliver on our promise to improve the quality and availability of debt advice across the UK.

The report is in two sections. The first section focuses on the sector's response to the immediate lockdown and the transition to remote delivery; the second section focuses both on the client and adviser experience during the pandemic.

2 MaPS, as an arm's length body providing public services, has a duty under the Equality Act not to discriminate against anyone because of their protected characteristics, and obligations under the Financial Guidance and Claims Act 2018 to consider and address the needs of people in vulnerable circumstances.

4. How the debt advice sector responded to the immediate lockdown and the transition to remote delivery

To understand the impact the closure of in-person services had on debt advice, we looked at the pandemic in two distinct parts: the months covering the initial lockdown (March-May 2020) and the period after (June 2020 onwards). By making this separation, we can consider how organisations plan and respond to future crises and capture the good practice that was evident in how organisations responded to change, which will help us to support the design and delivery of future debt advice services.

4.1 MaPS' response

When the pandemic struck, working closely with colleagues in HM Treasury and the Department for Work and Pensions, we secured new funding to keep services running and increase capacity to serve people. In 2020/21, we received a total of £34.8 million[3] from the Government and through a one-off increase to the Financial Services Levy to support our funded agencies to provide advisers with technology to work effectively from home, and to recruit more debt advisers in England. In 2021/22, we received an additional £17.9 million from Government to continue to help build capacity in the debt advice sector. Recognising the importance of early engagement, we launched our **Money Navigator Tool**. For other funded agencies, we offered access to the Money Adviser Network[4] to allow them to securely receive customer referrals from creditors remotely.

> The shock of the crisis and the urgent need for action catalysed creative and transformative solutions, from innovative technological solutions to the widespread embrace of remote working capabilities.

We also used this additional investment to help maintain capacity within the sector for organisations facing funding shortfalls due to the pandemic. We entered into grant agreements with a number of debt advice organisations so they could maintain services for customers in need.

We commissioned **research** into the impact the pandemic had on each of the five UK Strategy priorities. The research on debt advice found that those groups who were more likely to be in financial difficulty before the pandemic continued to be disproportionately affected. People from an ethnic minority background and those with physical or mental health disabilities were most disadvantaged financially by the pandemic compared to the rest of the population. Young people were also more likely to face financial difficulty during this period than older people.

We are investing in technological solutions to help meet the expected rise in demand for debt advice and to ensure debt advice adapts to meet people's needs. One of the consequences of the pandemic has been the accelerated adoption of online services for everything from welfare to weddings. The increased digitisation of debt advice services brings both challenges and opportunities. While many people will need and prefer to access in-person services in the future, others will choose to engage with debt advice from the comfort of their own homes or from safe and confidential spaces. Increased investment in innovation and service design is a major focus for us as we look to improve the client

3 MaPS also contributed a further £3 million from its existing budget, taking the total amount of financial support available to debt advice providers to £37.8 million in 2020/21.

4 The Money Adviser Network is a free, government sponsored partnership opportunity for creditors in the public and private sector. It is a technology focused pilot which simplifies how creditors (or government) refer customers in financial difficulty to free regulated debt advice.

and adviser experience and to build capacity to meet the expected increase in demand for debt advice.

Looking ahead, we have modelled demand for debt advice. It shows that more people will need expert debt advice over the months and years ahead. While this modelling is subject to some uncertainty—particularly around how much of this need will translate into more people accessing services—there are strong indicators that the share of people with low financial resilience and severe problem debt is increasing. Our annual debt needs survey[5] will also help us to identify who these people are and their needs and preferences.

4.2 The response from debt advice organisations

Debt advice organisations adapted swiftly to manage the disruption caused by the pandemic. The shock of the crisis and the urgent need for action catalysed creative and transformative solutions, from innovative technological solutions to the widespread embrace of remote working capabilities. We pay tribute to the dedication and resourcefulness of debt advice organisations and their staff up and down the country.

Yet, the pandemic also highlighted opportunities to further develop the debt advice sector's business continuity planning, referral networks, and infrastructure to support remote working. This means improving how both we, as commissioners, and delivery partners work together to develop risk management strategies that ensure services are more agile and robust to withstand future shocks.

4.2.1 Continuity planning

The pandemic tested the debt advice sector's business continuity planning. Like many other sectors, the risk management strategies of debt advice organisations were built around crises such as fires, floods, or cyber-attacks, which tend to be localised and short-term in their overall effect on services. However, the multidimensional impact of the pandemic forced many organisations to close their doors, with limited mechanisms in place to refer clients on to other debt advice services. Advisers also had to work from home without sufficient safeguards or appropriate technology available to manage the move effectively.

The lack of technology and technical capability to support remote working and service delivery left some organisations struggling to meet initial demand. According to the Money and Mental Health Policy Institute's submission to our call for evidence, which drew on the lived experience of its research community, two-thirds of those it surveyed in October 2020 who sought debt advice since the start of the pandemic received less support than they needed. A small number explicitly linked this to the closure of in-person services:

> *"The last thing they [the local debt advice organisation] said [before the first lockdown] was that they were really sorry, but they couldn't support me via phone, as my situation was too complex to be able to do that."*

Expert-by-experience, The Money and Mental Health Policy Institute

We are concerned that some people with mental health problems did not feel they were able to get the support they needed. We will explore with our Debt Advice Reference Group[6] how far this was a consequence of the immediate shutdown of in-person services at the start of the pandemic, or a wider issue of access to debt advice services for people with mental health problems.

4.2.2 Referrals

The pandemic tested the strength of local referral networks. Many community-based debt advice organisations predominantly rely on referrals from other local organisations offering complementary support services. These referral networks tend to be informal—even personal—and are commonly based around co-location or close proximity. Clients will often present for debt drop-in services having been told where to go, when to turn up, and whom to ask for by someone they know and trust. The initial lockdown meant that referrals from these local advice and support services partially stopped as they were forced to close. And even when services were able to resume, some organisations struggled to re-engage with clients as traditional routes for referrals were closed off while social distancing and shielding policies remained in place.

5 MaPS, **Who needs debt advice in 2022?**, 23 February 2022

6 The Debt Advice Reference Group is an external advisory body to MaPS tasked with identifying emerging issues affecting the debt advice sector.

> *"Debt does not exist in a vacuum. As all debt advisers know unmanageable debt is closely related to wider problems in people's lives involving financial exclusion, employment problems, welfare benefits, family breakdown, and poor physical and mental health."*

A local Citizens Advice

But despite the initial upheaval, debt organisations were able to adapt. Christians Against Poverty, who told us about the initial difficulties it had adjusting to losing its sources of local referrals, focused on delivering a programme of targeted engagement with a broader range of partners through its Debt Centres. Other organisations also told us how they had expanded their referral networks to include food banks, schools, cafés, and local shops as access points. Debt Free London now has 40 video advice kiosks across London that connect into its service. Citizens Advice has established links with Trussell Trust, which has involved setting up a helpline to support clients with food vouchers. And Advice NI told us how it employed a Business Relationship Manager to create awareness of its services and to build relationships with relevant organisations, which has included developing a referral portal via Advice Pro to allow organisations to transfer client data securely.

We believe that debt advice organisations should build on these activities, broadening and formalising their links with community partners to make the debt advice referral process more resilient.

Another point of emphasis in the call for evidence was the increase in direct promotion and marketing by organisations to raise awareness of their services. A number of organisations told us how they were using social media to publicise their offer to clients and to connect and interact with a wider range of partners. We are encouraged by these activities as we believe greater awareness of debt advice and the support on offer will drive earlier and better engagement with services.

There is now an opportunity for all of us to reflect on how the debt advice sector can work together to build resilience and improve accessibility in times of crisis. From what we have heard and seen, close collaboration and robust referral networks between debt advice organisations with different service delivery models can enhance their resilience to disruption. At other times, collaboration creates opportunities for organisations to manage capacity, and, critically, to ensure there is a no wrong door approach for clients by directing them to a service model that best meets their needs.

4.2.3 Managing the transition to remote delivery

While many of the responses to our call for evidence focused on the impact the initial lockdown had on clients, it is clear the transition was also testing for debt advisers and the wider debt advice workforce. Three broad themes emerged from hearing the experiences of advisers: incorrect systems in place to support effective remote working, difficulties advising clients not in-person, particularly when cases were complex and advisors were inexperienced working this way, and staff feeling isolated during the working day.

The absence of appropriate technology for advisers made the transition to remote working challenging. Before the pandemic, many advice organisations were using desktop PCs, landline telephony systems, and servers without remote access capabilities. We heard stories of debt advice managers loading their cars with desktop PCs and dropping them off at advisers' homes, while some advisers had to use their personal mobile telephones to speak with clients and record information offline until remote access to case management systems was established. Even for those organisations experienced in delivering satellite and remote services, the pandemic put a strain on their infrastructure. Critically, it exposed weaknesses in taking a piecemeal approach to IT procurement, with some advisers using more modern devices and software that helped them get back up and running immediately, while those using older systems continued to struggle. Debt Free London told us how the pandemic had prompted a full audit of its IT to ensure advisers were using the same devices. We encourage organisations to undertake a similar exercise.

It was not just changes to advice-giving that the transition to remote working imposed on debt advice organisations. Many of the back-office functions that organisations rely on to collect and store information developed organically based on the assumption that staff could collaborate in person, share information by word-of-mouth, and open and distribute post and documents. Many of these processes had to be totally reimagined. Responses to our call for evidence highlighted the investment organisations made to digitise and securely store and share information electronically. While these changes were driven by the pandemic, some responses said this new way of working had improved their advice processes and back-office functions.

While some debt advisers found the move to working from home liberating, others found it challenging. Beyond the common struggles of other remote workers to balance work and home life, some advisers told us about the difficulty managing complex and challenging cases remotely. While technical supervision and specialist support services can help, it is clear that many advisers have missed the opportunity to work more collaboratively with colleagues to reflect on good practice and to develop strategies for managing more complex cases. For organisations considering a permanent shift to hybrid or remote working models, we would encourage them to consider ways—both formal and informal—that debt advisers can use to check-in and support one another.

We are now two years on from the first stay at home order issued across the four nations of the UK. In this time, debt advisers have developed the skills and experience to address some of the issues around building trust with clients while working remotely. Most restrictions have now been removed, allowing more advice to take place in person. This is welcome. But we believe it is vital that we model ongoing service delivery in a way that retains some elements of end-to-end remote advice, particularly for clinically vulnerable clients who may continue to need to receive advice at home even though formal public health measures have ended. As such, we would encourage debt advice organisations to ensure their staff can continue to work flexibly, providing them with the training and support to develop the skills and experience to build rapport and trust with their clients when working remotely.

5. Adapting to the next phase of the pandemic

Adjusting to the immediate health, social, and economic impacts of the pandemic, debt advice organisations started to plan and re-design their services accordingly. What had previously been regarded as stop-gap measures to manage the shock of the pandemic, gradually evolved into new ways of working with colleagues, partner organisations, and, most importantly, clients. Organisations have continued to invest, where possible, in their technical infrastructure to enable remote working and to support clients to interact with their services in new ways. And for advisers and the wider debt advice workforce, adapting to new models of working has created new challenges but also opportunities to collaborate, network, and learn in different ways.

5.1 Processes and systems

As we have seen, debt advice organisations adjusted to the disruption caused by the initial lockdown by reviewing their back-office processes and systems. This appraisal continued as restrictions remained, with organisations making tactical investments in technology to automate some processes that had tended to be done manually or in the presence of clients. A number of organisations told us how they adopted solutions such as digital access to credit reports to help them understand a client's financial situation in the absence of paperwork. Similarly, organisations invested in digital e-signature platforms and secure document transfer and storage solutions to collate and share information more easily and efficiently.

While investment in technology helped support the information gathering process, it was undermined by some creditors refusing to accept electronic forms of documentation. Some agencies mentioned the difficulty they had contacting creditors or getting them to accept electronic forms of authorisation, despite restrictions around in-person contact still being in place.

The move to a digital-first model during the pandemic helped some organisations manage capacity and service availability more effectively. Organisations told us how the shift made it easier for appointments to be changed at short notice and for advisers to be freed-up to support other clients when appointments were missed, helping to relieve pressure on room availability. Advisers who previously had to travel to satellite offices or outreach locations were also able to use their time more productively to support clients. Additionally, some respondents told us that the shift to remote delivery made it easier for agencies to access specialist support, such as translation services, although this was not true for all forms of specialist support.

We are encouraged by the innovation many organisations showed in making services easier to access and more convenient to use during the pandemic. While these steps do not fully compensate for the closure of in-person services, it is clear that many providers plan to retain or even expand on these new ways of working now in-person services have reopened. We want to build on these advances by supporting all providers to maximise the benefits of technology to improve the customer debt advice journey. We realise this requires investment. As such, we have just kicked-off a programme focused on investing in digital innovation to improve the client and adviser experience and to create efficiencies to bridge the debt advice capacity gap.

5.2 The client experience of changes to the service delivery model

While the purpose of this work was to identify whether the closure of in-person debt advice services disproportionately excluded some clients from advice, it has also provided valuable insight on the client experience more generally during this time.

Behavioural barriers prevented some people from accessing debt advice remotely. As a number of responses made clear, clients often come to debt advice with a good deal of scepticism and negativity about the process. The reasons for this are multi-faceted and include: feeling let down by other services, a fear of being defrauded, a lack of understanding about the debt advice process, and pessimism about the possibility of reaching a positive outcome. As such, asking them to offer up intimate details about their financial lives is not easily done remotely. It is therefore not surprising that telephone calls rather than virtual meetings were favoured by clients while in-person services were not available, especially considering safety and security issues as well.

> *"I find it harder to 'talk' electronically. In a room where I am face-to-face with an adviser, I can see if there is anyone else in the room. I do not have this security when I am online; I do not know if any information which I supply is being shared with anyone else either behind the camera or if the information is recorded and is shared with others without my consent. I have no way of knowing if GDPR rules are being followed. Several times I have not sought advice if I cannot speak face-to-face with the adviser."*

Expert-by-experience, The Money and Mental Health Policy Institute

Structural barriers exacerbated by the pandemic also prevented some people from accessing debt advice. While it was predictable that those with limited digital skills or poor connectivity would struggle to access advice digitally, we were told how the cost of data also prevented some people from engaging with services. According to Lloyds Bank, going online is more costly for those who lack digital literacy, with lower income/lower engagement groups spending an estimated £720 more a year going online than those with similar income but high digital engagement.[7] Ofcom has also highlighted both the high cost of mobile data and the confusing structure of monthly contract costs as factors behind why these groups tend to face higher data costs.[8] The Good Things Foundation, in partnership with Virgin Media O2, has created The National Databank to enable community groups to access free data voucher codes and SIM cards. The charity, supported by Nominet—the official registry for UK domain names—has also launched a Data Poverty Lab to develop solutions to ending data poverty by 2024.[9]

A telephone and digital service benefited some clients. For example, people who were unable to travel because of the cost or inconvenience preferred telephone or online appointments. A remote service also benefited some clients with complex needs. Research by the Money and Mental Health Policy Institute found that four in ten of those it surveyed from its research community preferred to receive advice over the telephone or online. We know that one in five people in the UK have a condition that makes travelling challenging; this is not just limited to a physical problem.[10] And before the pandemic, four in five people with a disability reported feeling stressed or anxious when traveling.[11] As the UK population ages we can expect the number of people with disabilities to increase, making it critical that services adapt to meet the needs of those unwilling or unable to travel.

A digital and telephone service can also make interactions easier for some people with a mental health condition. The Money and Mental Health Institute's research found that four in ten people of those it surveyed would find it easier to open up to a debt adviser online rather than in person.

> *"Face-to-face interaction can be hard when I am experiencing a period of poor mental health and the effort of travelling and interacting with people can be overwhelming. I very much dislike robotic or AI support. I want to chat with a real person, not receive stock answers that don't fit the questions I ask."*

Expert-by-experience, The Money and Mental Health Policy Institute

Clients generally seem positive about telephone or digital channels in the future. Data shared with us by Citizens Advice[12] shows that more than half (57%) of its existing clients would be happy to contact Citizens Advice by telephone in the future, compared to 43% of those who would prefer in-person contact. The preference for telephone and digital channels (email, live chat, video call) was also higher for existing clients than a representative sample of the adult population. Interestingly, the preference for telephone compared to in-person services did not differ due to age or disability, with those aged 55 and over and those with a disability expressing an equal preference for telephone and in-person services. However, it should be noted that the data is not disaggregated for different types of disability.

7 Lloyds Bank, **UK Consumer Digital Index 2021**

8 Ofcom, **Smartphone by Default: A Qualitative Research Report Contents**, 11 March 2016

9 Good Things Foundation, press release: **Partnering to bring an end to Data Poverty**, 21 April 2021

10 Department for Transport, **Disabled people's travel behaviour and attitudes to travel**, 2017

11 Behavioural Scientist, **Designing Transport for Humans, Not Econs**, 16 November 2021

12 Submission from Citizens Advice to MaPS' call for evidence

By thinking about service design and testing new ways of working—as the pandemic has forced services to do—we believe debt advice can become even more convenient and accessible moving forward.

While this finding might partly reflect people's fears about meeting in person (the survey took place in October 2020), it does suggest that most of Citizens Advice's existing clients would be happy to continue to use telephone consultations. And while the data might be skewed towards those more comfortable using telephone or digital channels, it also demonstrates that the experience of its clients using telephone and digital channels for debt advice during the pandemic has been largely positive.

These findings mirror our own research which found that clients were generally positive about telephone or digital channels in the future. Data from our Debt Needs Survey showed that around half of people who accessed debt advice in 2021 stated a preference for telephone advice, compared to 44% who preferred in-person services.[13] Preference for video calls also increased during the pandemic, albeit from a lower base.[14] While older groups (aged 55 and over) were more likely to prefer in-person services for debt advice than younger age groups, preference for telephone and video calls as an advice channel has increased for this group in the two years since the start of the pandemic. And for people with a disability, preference for telephone and video call for debt advice was broadly the same compared to those who do not have a disability.[15]

The last two years have been unique for the debt advice sector. Public health measures to curb the spread of the pandemic brought rapid changes in service delivery models, while Government and regulatory-led forbearance measures suppressed demand for debt advice. As such, it is difficult to draw definitive conclusions on what the legacy of the pandemic will be for debt advice services in the future. Yet, one thing the pandemic has shown us is that increasing the ways in which a client can be engaged, advised, and supported to carry out other necessary interactions (sharing key documents, signing paperwork) can only be a positive thing. That is not to say that every channel or option will work for every client, but by thinking about service design and testing new ways of working—as the pandemic has forced services to do—we believe debt advice can become even more convenient and accessible moving forward.

5.3 The adviser experience of changes to the service delivery model

While the responses from debt advice organisations to our call for evidence presented a mixed picture of debt advice delivery during the pandemic, responses from advisers tended to be more negative. Many advisers referred to the difficulty in building rapport with clients when not meeting them in-person. As one respondent to our call for evidence said:

> *"Looking someone in the eye, watching how they hold their body, seeing their reaction to what we say, having a little chat on the way in/out of the meeting. These are all invaluable sources of information that allow advisers to adjust their conversation so as to demonstrate to the client that we are not (another) conman, that we can be trusted."*

Tim Parlett, debt adviser

Establishing an ethos of trust and confidentiality is critical to engaging clients in the advice process. A failure to build rapport and observe non-verbal cues also has implications for establishing wider support needs for clients, with some advisers feeling they miss vital information when they are not able to interact with a client in person. We agree that establishing rapport with clients is easier in person. However, we also believe that with the right training and support advisers can also develop trust remotely. For debt advice organisations planning to retain a mixed service delivery model moving forward, we recommend ensuring their debt advisers receive training on delivering remote debt advice, with specific information on techniques to develop trust and rapport and to establish the wider support needs of clients. Additionally, safeguarding policies and processes should be reviewed to ensure they accurately reflect changes in the service delivery model, and to outline how safeguarding issues can be identified and escalated.

> *"Some people thrive on remote support while a significant minority will always need in-person working. That's why a spectrum of advice models is crucial. We have found that remote working during the pandemic has been possible through good IT links, rigorous enforcement of training, procedures and standards – and through having the finance to invest in equipment."*

Money Lifeline, Basingstoke

13 Money and Pensions Service, Debt Needs Survey 2019-21

14 Money and Pensions Service, Debt Needs Survey 2019-21

15 Money and Pensions Service, Debt Needs Survey 2019-21

Delivering debt advice remotely was more complicated and time consuming according to some advisers. While the ability to change appointments at short notice did help some organisations manage overall advice capacity, the call for evidence highlighted the difficulties some clients found accessing and using digital services. Advisers told us how they needed to frequently reschedule appointments with clients because they were not always able to relay information over the telephone or upload information electronically. This issue was particularly pronounced for people with English as a second language and those with poor literacy and numeracy skills.

According to some of the responses to our call for evidence, the wellbeing of the debt sector workforce was negatively affected by the experiences of the pandemic. Many of the issues highlighted in the responses are longstanding and include: increasing case complexity, difficulties working with customers with complex support needs, and the pressures of staying aligned with regulatory, performance and quality requirements. But there was a clear feeling in some of the responses that things had become more acute since the start of the pandemic. As a sector we must do more to address these issues. This action starts with more regular and systematic assessments by providers and others of the wellbeing of their workforce and putting processes in place to use this information to develop effective support interventions. As commissioner, we have recently taken steps by including wellbeing time and changing the payment mechanism in new contracts to enable advisers to spend the time they need with clients and to take a break between appointments, especially the challenging ones. However, we recognise there is more work to do in this area as part of our wider debt workforce strategy.

> *"We have learned as a result of lockdown that it is possible to offer some effective advice by telephone. As soon as we were able to re-open again though we started to offer face to face appointments. For vulnerable clients, particularly those with mental health problems, we find it preferable to see them face to face so that we can properly assess their capabilities and we find it results in a better working relationship with more engagement."*

Derbyshire Law Centre

While many advisers found working during the pandemic challenging, others relayed positive stories about their experiences. One of the main advantages was the ability to work more flexibly. For advisers used to long travel times—either commuting or travelling between outreach locations—flexible working helped them manage their workloads more effectively. For some, the additional time was put to effective use by taking up training and identifying new collaboration opportunities. Simple steps such as virtual coffee mornings for advisers have proved transformative. The virtual-first approach to training and networking also made these opportunities more accessible for advisers. Instead of taking a half-day or full day to attend a training course, advisers could just book out the time they needed, without needing to budget for travel and accommodation expenses. This change allowed some advisers to access a more diverse range of course topics. At the same time, we know from the responses that some training is better delivered in person. We would encourage organisations who develop and provide training for debt advisers to regularly ask their learners about what works best in terms of format when developing future training.

As offices have reopened, many organisations will operate a hybrid model of work. Prior to the pandemic, many debt advice organisations would never have considered working from home to be part of their offer, and some would have thought it almost impossible for most of their staff. However, many organisations told us they plan to implement a hybrid working model moving forward, with staff having the option to handle appointments both at home and in the office, depending on their clients' needs. For organisations planning on working this way, we would encourage them to ensure staff receive appropriate training and guidance—particularly for supporting clients who cannot access in-person services but who may need enhanced support to use alternative channels—to make the most of this opportunity,

For those organisations considering a return to an exclusively office-based model, we would encourage them to consult with their staff first. On average, workers report higher levels of satisfaction and happiness with working from home as part of their working pattern. And surveys suggest most workers would like to work from home at least some of the time.[16] As such, there is a risk that organisations that do not offer some remote working will struggle to attract and retain talent in the future.

16 See, for example, ONS, **Business and individual attitudes towards the future of homeworking, UK: April to May 2021**, 14 June 2021

6. Digging deeper: the impact the closure of in-person services had on clients and cases

Understanding whether the closure and reduction of in-person debt advice services during the pandemic had disproportionately affected specific client groups from accessing debt advice was one of the main drivers for this research.

The number of clients accessing debt advice fell significantly at the start of the pandemic. This is a cause for concern. However, an analysis of our own data and data shared with us by our funded agencies did not show any significant changes in the demographics of clients accessing debt advice compared to before and during the pandemic, with women, single parents, renters, and younger people (under the age of 40) continuing to be overrepresented in caseload data. Of course, we do not know—and may never know—who was not able to access debt advice during this time, but at a macro-level we can at least say that the closure and reduction of in-person services does not appear to have disproportionately excluded any specific client group. We attribute this to the extraordinary lengths debt advice organisations and individual debt advisers went to keeping their services available and accessible during this time.

However, we cannot be complacent. With demand for debt advice expected to increase significantly, we will wait to see if the profile of debt advice clients changes, or if, as anticipated, women, single parents, renters, and younger people (under the age of 40) continue to be overrepresented in caseload data, given their vulnerability to financial shocks prior to the pandemic, and the disproportionate health, social, and economic effects the pandemic had on these groups.

There is some evidence from the responses to the call for evidence that the complexity of cases increased during the pandemic. How far this complexity was a result of the closure of in-person services or because of the unique circumstances of the pandemic is unclear. This will be an area we will closely monitor as demand for debt advice increases.

6.1 Clients

We know aggregate data can hide the impact an intervention can have on individuals, and that experiences will differ between regions and nations. We are grateful to those who provided data on the socio-economic and/or demographic profile of their client base during the pandemic compared to before the start of the pandemic.

Some providers offering an in-person service before the pandemic did see a shift in the age profile, with fewer older people (those aged 55 and over) accessing services remotely. Other agencies also said they saw a small fall in the average age of clients, with some noting that more younger people were accessing debt advice services. This is perhaps not surprising given the unequal impact the pandemic had on younger groups, who were more likely to have been working in the sectors worst hit by the lockdown.

At the same time, PayPlan—who do not offer an in-person service but take referrals from in-person agencies—saw a significant increase in clients over the age of 55 alongside a smaller drop in clients under the age of 35. This difference might be explained by the displacement of older clients from in-person agencies who could not adequately support them, at least at the start of the pandemic.

Numbers of non-speaking English clients also increased for some agencies. As with younger people, this could be a consequence of the unequal effects of the pandemic, as those from minority ethnic backgrounds were also more likely to have been working in the sectors closed due to the lockdown. Given these groups were more at risk of financial difficulty because of the pandemic, it is encouraging that they were still able to access debt advice despite the closure of in-person services.

Other notable changes identified by agencies included a slight increase in those presenting with mental health problems. We know from our own work that people with mental health conditions are more likely to need debt advice in the future.[17] And recent data shows a slight increase in the proportion of people presenting for debt advice with a mental health condition. A few responses also said they saw more self-employed people who had not been eligible for government support schemes during the pandemic. However, more agencies overall said they did not see significant changes in their client demographics during the pandemic.

6.2 Cases

Given the unique circumstances the pandemic posed, we might have expected the nature of client cases to differ compared to before the lockdown restrictions were introduced. This assumption seems to hold for at least the start of the lockdown restrictions. Some agencies reported seeing more people needing advice and financial guidance to help them understand the benefits system as they had not been in debt or claimed benefits before. Agencies also reported seeing more homeowners needing advice about their mortgage, or clients with short-term credit issues, which made long-term debt solutions unsuitable. This shift in case-type posed challenges for some debt advice organisations who were not used to dealing with queries related to mortgage arrears or hire purchase defaults. There was also a sense from some organisations that cases were initially more focused on budgeting and income maximisation while creditor collection activity was paused, but when creditor collection activity resumed cases became more complex as clients presented who had delayed seeking advice, exacerbating their financial difficulties. The findings from a survey by the Institute for Money Advisers late last year supports this view: 72% of the advisers it surveyed said cases were more complex now than before the pandemic.[18]

Citizens Advice told us that another consequence of the pandemic was an increase in the number of people presenting with negative budgets—where a debt adviser assesses that a client cannot meet their living costs. According to its own data, clients with negative budgets represented 40% of Citizens Advice cases at the start of the pandemic, although this figure had since fallen back to pre-pandemic levels. Time will tell if this trend is transitory but, as Citizens Advice has highlighted in its report Rising pressure on household budgets, accumulated debts that went uncollected during the pandemic while creditor activity was frozen—coupled with rising prices—could put further pressure on clients' budgets.[19]

17 MaPS, **Better Debt Advice and Covid-19: a rapid evidence review**, 27 May 2021

18 Institute of Money Advisers, **What is a manageable debt advice caseload?**, October 2021

19 Citizens Advice, **Rising pressure on household budgets**, 25 October 2021

7. Looking ahead

While we must caution against drawing any firm conclusions about how the experience of the pandemic will shape debt advice in the future, we have identified four emerging insights that warrant further consideration by funders, commissioners, advice organisations, and other key stakeholders.

The first insight is to recognise that in-person debt advice services delivered in community settings will continue to best meet the needs of some clients. In-person services create value for clients in a range of ways. For some, it promotes better awareness and engagement with debt advice, as they can be directed to a nearby location with a known service provider and have advice delivered in a familiar way. For others, it is the convenience of being able to drop off paperwork or sign documents. And for many, it is the ability to meet advisers and other support staff in person, to establish trust and rapport, and to be present while some of their problems are dealt with by knowledgeable and authoritative staff.

> *"As we exit the worst of the pandemic, this has been invaluable learning for the organisation. We've taken what has worked and banked the positive changes, not least the acceleration of channel shift towards phone and online for some clients. But it's been clear in exposing the limitations of this and just how important that face to face, in person advice is for so many of those."*

Citizens Advice

The second insight is that there is a clear opportunity to build greater collaboration between advice providers to better meet clients' needs. The pandemic has shown that advice providers can work together and create referral pathways to keep services open and accessible. We believe there is now an opportunity to formalise and build on these partnerships. By working together, different providers who offer different service delivery models and specialisms can come together to offer a client-led model of debt advice; one where the client is able to access the sector in the way that best meets their needs, with the option to move seamlessly between different services at each stage of their debt advice journey. This does not mean all debt advice organisations offering a uniform model of service delivery; rather, it is about each organisation playing to its strengths to reach and engage clients while working in broader strategic partnerships to best meet the needs of clients.

Related to this insight is the importance of recognising the wider ecosystem in which debt advice sits. As a local Citizens Advice told us, debt advice does not exist in a vacuum, and relies on working closely with other advice and support agencies at a local, regional, and national level for referrals both in and from its services. We know that the sheer number and type of agencies debt advice organisations regularly encounter mean referral networks can be patchy and difficult to maintain. We want to work with the sector to support organisations to make referral processes more consistent for clients. We acknowledge the insight from Citizens Advice that a focus on partnerships with mental health agencies would be welcome, as well considering how we can use technology to enhance the customer journey.

The third insight is the greater role technology will play in building resilience and enabling more flexibility in the way debt advice services are delivered in the future. The last two years have shown how technology, when used effectively, can enhance and augment services to make them more accessible and easier to use. For example, digitally sharing and storing key documents, use of e-signatures, and instant-access credit reports. The debt advice sector will need to continue to invest in IT infrastructure to ensure we can provide a service tailored to the needs and preferences of clients, as well as to support its workforce to continue to work flexibly.

The final insight is the importance of developing a sector-led approach to workforce wellbeing, particularly as we move towards more hybrid forms of working. All new and existing recruits should receive training and support to help them develop the skills and experience needed to build rapport and trust with their clients when working remotely, particularly for those clients who cannot access in-person services but who may need enhanced support to use alternative channels. Additionally, organisations should review their safeguarding policies and processes to ensure they accurately reflect changes in the service delivery model and outline how safeguarding issues will be identified and escalated. Beyond this, staff must have access to a dynamic mix of on-the-job and formal training that is delivered both in person and remotely to enable the widest participation.

Appendix A – Call for evidence questions

- 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?
- 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?
- 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?
- How has the pandemic affected the way you deliver debt advice?
- 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?
- What were the challenges and opportunities, and how can MaPS capitalise on these opportunities in the design and delivery of future debt advice services?

Appendix B – List of organisations/ individuals that responded to the call for evidence

- Advice NI
- Bridge Community Project
- Christians Against Poverty
- Citizens Advice
- Citzens Advice - Cornwall
- Citizens Advice – Coventry
- Citizens Advice – Halton
- Citizens Advice - Hull and East Riding
- Citizens Advice – London
- Citizens Advice - Rossendale & Hyndburn
- Crosslight Advice
- Dawn Reed - Faith Works Essex
- Derbyshire Law Centre
- Individual debt adviser
- Institute of Money Advisers
- John Bament - Faith Works Essex
- Melton And District Money Advice Centre
- Money and Mental Health Policy Institute
- Money Lifeline - Basingstoke
- Money Matters Leicester
- NIACRO
- Oak Grove Money Advice
- Payplan
- Step Forward Money Advice
- Tim Parlett
- Unite
- Wimborne Food Bank
- WADA

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