

Treasury Committee

Oral evidence: Debt Advice Provision, HC 478

Tuesday 16 January 2024

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Members present: Harriett Baldwin (Chair); Dr Thérèse Coffey; Dame Angela Eagle; Dame Siobhain McDonagh; Keir Mather.

Questions 1 - 88

Witnesses

[I](#): Morgan Wild, Director of Policy, Citizens Advice; Richard Lane, Chief Client Officer, StepChange; Kiri Adams, Social Policy Manager, Christians Against Poverty.

[II](#): Anna Hall, Head of Money and Debt Operations, Money and Pensions Service; Caroline Siariewicz, Chief Executive Officer, Money and Pensions Service.

Examination of witnesses

Witnesses: Kiri Adams, Richard Lane and Morgan Wild.

Q1 Chair: Welcome to the Treasury Committee evidence session on debt advice provision. Can I start by asking our witnesses to introduce themselves?

Morgan Wild: Good morning. My name is Morgan Wild. I am director of policy at Citizens Advice.

Kiri Adams: Hello. I am Kiri Adams. I am the social policy manager at Christians Against Poverty.

Richard Lane: Good morning, Committee. Thank you for having us. My name is Richard Lane. I am the chief client officer at StepChange debt charity.

Q2 Chair: We thought, as a Committee, that the day after blue Monday would be a good time to hear what is going on in terms of the debt advice landscape. I think that we were all quite surprised last week when we heard from the Governor of the Bank of England on financial policy. He said that the cost of living adjusted debt service ratio that they look at is nowhere near as stretched as it was in the financial crisis. He said that, because there has not been a rise in unemployment and there has been a real increase in household incomes over the last year, he felt that that had meant that, from a financial policy point of view, there was less concern about the level of debt in the economy.

The House of Commons Library tells me that the debt-to-household income level is the lowest since 2007 and that last year individual insolvencies were actually down 15% from the year before. That surprised the Committee, because households have been through a huge shock with the pandemic, and then last year they saw this big rise in interest rates and we had this terrible energy price spike. I wondered whether each of you could give us an overview of how you see household need for debt advice at this moment in time.

Richard Lane: StepChange operates across the UK. We have been doing this for just over 31 years now. Last year we saw 620,000 people come to us for broad financial help, support and guidance. Of those, we took 182,000 people through what we call full debt advice. That is FCA-regulated debt advice where we spend a great deal of time going through their financial situation, their income, their outgoings and the amount of debt that they have.

We have seen year-on-year increases in the number of people coming for debt advice. From 2021 to 2022, we saw a 20% uptick. That was, in some regards, due to the fact that we actually saw a significant reduction in the number of people coming for debt advice during the pandemic. In the last 12 months we have seen about a 9% increase in the number of clients coming to us for help.



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We are seeing some significant changes and it is not necessarily about the total amount of debt that clients are coming to us with. It is about the severity and complexity of the problems that they are presenting with. As a debt advice sector, we are finding that we are increasingly having fewer tools at our disposal to be able to help people. Our advisers are telling us that they are spending time on the phone with people and at the end of those sessions there are fewer solutions available to them.

That is largely being driven by the fact that we have seen significant increases—I know my colleagues will have seen even more significant increases than we have—in clients that we call negative budget clients. That is that, after debt advice, after being signposted to benefits and income maximisation, after being put on the most stringent budget we possibly can, about a third of all of our clients do not have enough to cover even the basics. They have more going out than they have coming in. Those clients are very difficult for us to help.

Q3 Chair: We will come back to those sorts of issues in a moment. I want to give Kiri an opportunity also to talk about what you see as being the need out there.

Kiri Adams: Like StepChange, CAP is a national charity. We help people but the slight difference is that we are a home-visiting service. In terms of stretching our capacity, we cannot do that super-easily because all the debt centres have a certain number of homes and people who they can see each week. That is not to say that we have not seen an uptick in need for our service. We have had to turn away more people and signpost them to other debt advice organisations in the last year. My stats say that we have had an increase of 20% in this last year in terms of initial phone calls for help.

Like Richard was saying, we have also noticed, as you say, the total amount of debt reducing over the last decade. More worryingly, we have seen an uptick in priority debt, which is debt that has more ramifications if you do not pay it, so the likes of your council tax, energy debt or rent arrears. Right now, we are seeing that it is almost 50-50 in terms of how much priority debt and how much non-priority debt you might have, for our clients at least. That is a worrying thing, knowing that it is not that people are mishandling their money. It is that they simply cannot afford to live on the income they have.

Q4 Chair: Last year you had to turn people away. Is that the first time you have had to turn people away?

Kiri Adams: No. Because we operate in postcodes, sometimes we do not have capacity in certain areas. We are seeing a higher number of our centres that take bookings that do not have capacity. Then we will have to signpost them to bodies people such as StepChange or Citizens Advice.

Q5 Chair: Morgan, you operate Citizens Advice nationwide, I think. What are you seeing as the landscape?



Morgan Wild: Yes, that is exactly right. We help around 2.5 million people a year with about 6 million problems. That can be on anything and everything. Of that number, about 370,000 people come to us for debt advice. That is up 15% on last year and up around 7% on 2019, the last pre-pandemic year.

It is interesting. We see two things. I think about this in two buckets. One is financial debts, which is what the Bank of England most often looks at. There, the picture has been relatively steady. We would all have some concerns about it. Particularly on the lowest side of the income spectrum we are worried. We have begun to see distressed mortgages that are not quite in arrears yet but where people are cutting back on every single other item of expenditure just to avoid being pushed into a negative budget and falling behind on their mortgages.

As Kiri said, what we see much more of is household debt, which is being driven by the underlying cost of living making people unable to afford the essentials. We are seeing around 50% of the people we help being in a negative budget. That is overwhelmingly driven by energy and housing costs. People who come to us tend to be on the lower end of the income distribution, but we are seeing it reaching further and further. We are increasingly seeing people in part-time or full-time work. The typical Citizens Advice debt clients used to be around the bottom decile of the income distribution. Now that is inching up more towards the second and third deciles.

Q6 **Chair:** That is interesting because I think, StepChange, you have said in your written evidence to us that we are publishing today, "We have not yet seen any significant increase in the proportion of homeowners with mortgages seeking debt advice, despite higher interest rates". At Citizens Advice you are beginning to see that, are you?

Morgan Wild: We are beginning to see that. It is still small numbers but it is a significant increase in the number of mortgage holders and their deficit has become dramatically higher. We say, "This is what you need as an essential budget to make ends meet". For mortgage holders, they are the ones who are furthest below, in our cohort, reaching that threshold. That means that they cut back on everything else.

Q7 **Chair:** CAP, are you seeing an increase in mortgage arrears?

Kiri Adams: When we look at the tenure of our clients, only 10% of our clients are in owner-occupied accommodation. The vast majority are renting or lodging. We have not seen a huge uptick, but we know that people's rents are increasing. Landlords are paying the mortgage and then they pass on that cost. We are seeing it but, in terms of mortgages, probably not so much as others.

Q8 **Chair:** There were a number of initiatives last year from the Government to help people on the lowest incomes, such as the cost of living payments. Some were universal; some were targeted. There was a



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household income support fund. Can you tell us what you saw working best for your customers? What do you think is the best way to tackle some of these low-income issues?

Morgan Wild: Permanent changes to social security have the biggest durable impact on our data. The cost of living payments were very helpful but they helped in a temporary fashion. You could see really clearly in our data that, when a cost of living payment hit people's bank accounts, there is a big temporary dip in the number of people coming to us for crisis support or a food bank referral, but then that goes back up pretty quickly.

I am hopeful about the impacts that some of the changes coming this April will have. A lot of our detriment is driven by housing costs. For the cohort we most often see, we are hoping that the increase of local housing allowance back to the 30th percentile will make a difference, alongside the changes to benefits.

Q9 **Chair:** You mean the 6.7% uplift.

Morgan Wild: Yes.

Kiri Adams: Similarly to Morgan, we also saw a dip in the need for emergency support when those payments got put in people's bank accounts. One thing that we have been continuously saying, though, is that there were a number—thousands—of households struggling before the cost of living crisis and that has not changed since. Despite the fact that those lump sums have been really helpful to people, we have continuously been calling for incomes, particularly social security levels, to be adequate enough to begin with, not needing these lump sums to help tide people over.

Richard Lane: The two things that we see that are particularly important are, first, the Government mortgage charter, which has been put in place and has offered widespread forbearance to people who are struggling with their mortgages. That is why I do not think we have yet seen that groundswell of people who are coming to us. There is always a bit of a lag in terms of people then coming to debt advice down the line as they turn to coping mechanisms to be able to manage. We know that mortgage payments are one of the last things that they will miss.

While it predates the cost of living crisis, the one thing I would really call out as a success of the Government is the implementation of the Breathing Space scheme, which is now two, nearly three, years old. That gives people 60 days of legal protection from interest charges and enforcement action. That has been a really significant driver of people coming to us for help and the protection that they get when they seek debt advice when they are struggling.

Q10 **Chair:** I noticed that none of you mentioned the household support fund in your replies. Has that not been effective at targeting the right people?



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Richard Lane: It probably has been. We do not necessarily have any evidence to say that it has not been. We know that clients are accessing it. A lot of the time we know, from our clients and our advisers, it is lack of knowledge and awareness about some of these schemes that is holding people back, rather than the level of support that they are able to access.

Morgan Wild: We think that the household support fund has been a very important part of the support during the cost of living crisis, but it has to work in tandem with national policy. You want something like the household support fund, which provides support for people who are just falling through the cracks and have emergency crisis needs for support. It was tending to be a support mechanism just for ordinary bills, such as energy and rent. That is very helpful in the short run, but obviously is not a long-term solution to people's needs.

Kiri Adams: Similarly, I think that we noted that it was a bit of a postcode lottery. It required people to have the right conversations to know that it existed and to be able to apply for it. Another thing that we have been saying is that, particularly with some of the more targeted Government packages to help people, if you were not claiming that benefit to start with, you miss out two times because you do not get the benefits or this extra support. We have been campaigning and would love others to join us in making sure that those who are entitled to social security are claiming what they are entitled to.

Q11 **Dame Angela Eagle:** I want to ask about the debt advice market, which seems to me to be very fragmented and complex. Do you find that that is a problem, and that people are confused about where to go?

Richard Lane: Yes, it absolutely can be a fragmented marketplace. We as charities—I would add in our colleagues at the Money Advice Trust—work very well together as a sector. We collaborate. We all have referral partnerships between ourselves where there are different areas of expertise, but often people do not know how to be signposted to debt advice. Lots of people still do not know debt advice exists.

Q12 **Dame Angela Eagle:** There are waiting lists, are there not? Let us face it. I know loads of people in my own constituency who might want to go to Citizens Advice who cannot get anywhere near.

Morgan Wild: To give one example of that, we run a national debt line. We are able, at the moment, to answer about a third of calls with our current capacity. That is purely down to capacity not meeting the level of need, which ultimately comes down to funding for debt advice.

Q13 **Dame Angela Eagle:** You can only respond to a third of the demand. What about Christians Against Poverty? What is the unmet demand that you come across?

Kiri Adams: I am not sure that we have the statistics on that. We know that there is more demand than we can ever give supply-wise, which is



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the reason that we do a lot of trying to reach out and get churches that we work with to partner with us, knowing that there are lots of areas of need that we are not meeting as CAP. We cover about 60% of postcodes. Because we are home visiting, we can probably only see two or three clients per month per centre.

Richard Lane: We have a slightly different model. We are primarily a telephony and online service. Actually, about 80% of our clients now go through debt advice online, but we still know that people need telephony support. Our service level is running at about 60% to 65% currently, which is slightly lower than we would like. The point, though, is that we only work, and all our organisations only work, if the wider ecosystem works. We know that, if someone comes to us and they need face-to-face advice, we will want to refer them to our friends at Citizens Advice. If someone at Citizens Advice is okay to go online, they will refer to us. The system works well. Our service model works well and your service model works well, Morgan, when we can work together collaboratively and effectively.

Q14 **Dame Angela Eagle:** You collaborate. It is not a competitive market in that sense.

Morgan Wild: It is not.

Q15 **Dame Angela Eagle:** It might not be a market at all.

Morgan Wild: Yes, indeed. From our perspective, we see it very much as a collaboration where we each have a different way in which we add value. For Citizens Advice, we will see the whole person, people coming through the door often with an issue completely unrelated to debt, but we identify that they need debt advice. We are community-based so people have that level of direct trust and relationship with us.

Q16 **Dame Angela Eagle:** There is just not enough of it.

Morgan Wild: There is not enough of it and we have been asked to act as competitors in the past.

Q17 **Dame Angela Eagle:** Certainly Citizens Advice used to get a lot of support from local authorities as well. I am presuming, if my own authority with its budget constraints is anything to go by, that quite a lot of that has dried up.

Morgan Wild: Yes, absolutely. It is a mixed picture depending on local authorities, but, as local government budgets have been squeezed, that has definitely seen significant reductions to support for Citizens Advice.

Q18 **Dame Angela Eagle:** What do you think the Government might do to try to answer this unmet need? Clearly there is an issue. I have forgotten the phrase now. What can we do to help the negative budget clients?

Morgan Wild: That is a great question. Ultimately, that has to be driven by national policy to address the cost of living. We have spoken a bit



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about social security adequacy. I also think there is a very strong role for direct social tariffs in markets like energy and water to really target people who are likely—

Q19 Dame Angela Eagle: To some extent you think that the regulators of the privatised utility market have failed to take account of those in the lower deciles.

Morgan Wild: It is a collective problem between Government and regulators. We know that regulators have often been quite ambitious in what they would want to set but have not had the confidence about their powers to implement what is needed.

Dame Angela Eagle: That is very generous to regulators.

Morgan Wild: That is not usual for me, but on this topic—

Q20 Dame Angela Eagle: You obviously do not want to upset the regulators. Which form of tenancy, be it mortgages, private rent or social sector, are you the most worried about at the moment as we go through the cost of living crisis?

Richard Lane: Overwhelmingly, it is the private rental sector. We disproportionately see our clients in the private rental sector. Only about 15% of our clients are homeowners. It is the private rental sector in terms of the frequency of our clients in that sector but also the outcomes that they get. We know that they have far less security in their tenancy. We know that they are more likely to be in problem debt. When they are in problem debt, they are more likely to be facing eviction. When they are falling behind on payments, they are far less likely to be able to access any type of forbearance or support. Overwhelmingly, it is the private rental sector for us.

Kiri Adams: Similarly, if you couple it on with energy as well, we keep seeing that they are not very energy-efficient homes. People that are living in these cannot invest in better insulation or to make their house cheaper to heat. Therefore, it is a compounding problem that you are paying quite a lot in rent and then you are paying quite a lot in energy.

Dame Angela Eagle: It is all going through the roof.

Kiri Adams: Yes, exactly.

Morgan Wild: Say you are on universal credit, standard allowance. You are getting about £370 a month in the bank. If you are a Citizens Advice client, then about half of that is going on either energy bills or shortfalls in housing benefits at the moment, leaving you with an incredibly small amount to manage the rest of your essential living costs. For us, you can see it incredibly clearly in the data that it is the private rental sector above everything else.

Q21 Dame Angela Eagle: It strikes me that the social rented sector has a series of supports, often partly financed by the social landlords, as well as



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co-operation, and has upgraded the energy efficiency of most of its stock, with some exceptions, obviously. The mortgage side has a range of defences that have been put in place with the lenders, but the private rented sector really does not have a lot at all. Are there any very quick views on what you think might assist to give those in the private rented sector, which after all is the second most popular form of tenancy now in the UK, some of the same kind of support that you can expect in the social rented sector and/or the mortgage sector?

Morgan Wild: There are two big priorities I would suggest. One is taking forward the Renters (Reform) Bill and ending Section 21.

Dame Angela Eagle: That is no-fault evictions, for people who are watching.

Morgan Wild: Yes. That will have a significant impact on rebalancing renters' and landlords' powers. Ultimately, for the people we help, it is about housing supply and, particularly, supply of social housing. If you are on a waiting list for social housing in many London boroughs, if you do not have a severe disability or some other very significant circumstance, the chances of you rising up the waiting list are very low.

Dame Angela Eagle: That is the same in my patch in Wallasey as well. It is not only a London phenomenon.

Q22 **Dame Siobhan McDonagh:** I would like to look at IVAs, individual voluntary arrangements. In my experience, when I see a constituent with an IVA, the cost of it is so high that it is something that constituents are simply not able to sustain. It seems that a lot of these companies target vulnerable constituents and the consequence is that they all end up in more debt.

People on IVAs pay an average of £3,600 in fees to private companies. One homeless consumer was recommended an IVA costing them £6,000 when they could have been debt-free in a year with a debt relief order for £90. It appears to be exploitative. Do IVAs need greater regulation, or do they just need to be taken out of existence?

Richard Lane: IVAs can be a really good solution for people, so we do not want to see IVAs not exist. We provide IVAs at StepChange. We have a subsidiary, StepChange Voluntary Arrangements, which provides them. For lots of people, they work well. They can be an option to write off significant amounts of debt, actually, after a period of time, but there are fundamental issues in the market.

One of the two big issues that we have is the fee structure. When you access an IVA, the fees that you pay are very much front-loaded in your, say, five or six-year IVA that you might have. There is an incentive for people to come into the market, go into lead generation, aggressively target people for IVAs, and then, after two years when they have made their fees, they do not really mind if you drop off that plan because they have made their money on their fees. At that point, if you are a client



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and you have spent two years paying the IVA fees at the front of the plan, you are then back to square one: your debt is not written off, you have paid those fees and you still have the debt that you owe. That is one of the biggest issues that we see.

We also see real aggressive selling of IVAs. This is something that we struggle with at StepChange a lot. We have predatory lead generator organisations, which advertise on Google and other platforms, imitating StepChange. If you were to go on at any point, primarily on a mobile device, and Google "StepChange", you are likely to see the paid adverts as "steps change", "step to change" or "changing steps", and a lot of them are enormously convincing. We identify in the region of about 60 clients every quarter who think that they are working with StepChange but have been tricked by a predatory lead generator into taking out an IVA that, in the long run, will not be sustainable for them. They will have been put on it at a low surplus level that they will not be able to manage and it is therefore exploiting vulnerable people. We need to see regulation in terms of how these solutions are advertised and targeted at particularly vulnerable people.

Kiri Adams: Similarly, if you type in any "debt help" or "debt advice", probably the top four results are firms trying to sell you an IVA, telling you that you can get out of debt quick and you can write it off. It is misleading and not covered by the FCA, so they do not have as many steps to take as we would to make sure that it is the most appropriate solution.

Q23 Dame Siobhan McDonagh: Can I say that we got a bit of research that said that the first 1,500 results from your Google search are all for-profit IVA companies?

Kiri Adams: Yes, so you can see. We had a client who came to us eventually but had typed it into Google and started trying to work with an IVA. Her son had looked at the paperwork and said, "You are not even paying the interest off your debt. You are just paying towards the fee of the IVA". By the time she came to us, she was in a much worse situation because she had been misled. That is the type of thing that we, as a free sector, want to see stamped out.

Morgan Wild: This is probably the issue that makes our debt advisers the angriest that you will see them. We often see people, as colleagues do, who have been through a failed IVA and we are there to pick up the pieces. They would often have had a much cheaper, better solution available if they had not been mis-sold these products. As Richard says, IVAs can be a good solution but the reality is that a third of them fail and you need pretty strong, good, independent debt advice in order to make an informed decision about whether to enter into them.

We think that there is a simple thing that could be done to improve the market, which is to bring forward secondary legislation to end the exemption for IVA firms from regulated debt advice. If you are in the



business of selling IVAs, you should have to put your customers' best interests at heart, rather than the current mechanism, where you only have to suggest that the product is suitable, which is a very loose term.

Q24 Dame Siobhan McDonagh: Can I just say, Chair, that one of the most iniquitous forms of marketing I have seen is the "Mums In Debt" pages on Facebook? Mums who are in debt engage with this group that they think are on their side and understand, only to find out later that they are a pathway to a commercial IVA. The way we came to understand about IVAs as a Committee was when one of our advisers explained that the FCA was doing a consultation on banning referral fees and we asked some more questions. In June, as you know, the FCA banned referral fees for debt packages. Is it having any effect in preventing practices like the ones we have just discussed?

Richard Lane: I think that it is too early to say, to be honest. I would say that we have not seen any huge shifts in the market yet. For us, there are two things. I completely echo that you should have to have full regulated debt advice before taking out an IVA.

One thing that we would also like to see is more bold action from private companies as well, so Google, for example. There is precedent that exists. If you Google "help with gambling addiction", there are no adverts allowed on those terms. You cannot have people preying on people who are vulnerable in those situations, because, ultimately, far too many people do not know the difference between a paid advert and an organic search on their Google results. It is absolutely right, when people are in vulnerable situations, looking for help with their finances, that the same principle should apply. You should not be able to advertise products that are ultimately harmful to people looking for help in those situations.

Dame Siobhan McDonagh: Is there a possibility, Chair, that maybe we could contact Google or any of the search engines?

Chair: There always is because we found actually that, with investments, when we contacted them, lo and behold, they took action on that exact point, so yes. I know, Thérèse, you had a question on this subject.

Q25 Dr Coffey: It is about a broader element. I think that it was Mr Lane who talked about having fewer tools, but then you mentioned Breathing Space and I wanted to understand. I think that there are more tools available to help, if I think of the Homelessness Reduction Act and of the homelessness prevention grant, which is there at the discretion of councils, and how to use them. I am also interested in the fact that basically anybody on universal credit, through ECO4, can access free insulation, get a survey done and all these other different things—it is deliberately designed.

My understanding is that about half the money gets spent on trying to find clients, leaving less money, but it is only because they are not able to spend the amount of money they have in the first place. That is what I



was trying to understand about. You specifically said, Mr Lane, that you have fewer tools. I actually think that you have more. It would be useful to understand how your organisations use that. I am conscious that people are under debt and need to deal with that debt, but, in terms of the negative budget, how are you helping those people to get over that and get into a positive budget through these extra tools?

Richard Lane: When I say that there are fewer tools, I mean that we are able to put fewer people on debt solutions because they are in negative budgets. For example, we have fewer people who are able to go on to repayment plans and fewer people who might be eligible for a debt relief order, because their situation is that they are in a deficit budget, even after income maximisation.

Q26 **Dr Coffey:** Breathing space still applies to those people too, does it not?

Richard Lane: It does. However, at the end of those 60 days, if they are still in a deficit budget with debt, for example if they are relying on credit to eat, we could not put them on a debt relief order because that might cut off a fundamental source that they have. If they do not have a surplus, there is no access to repayment plans. Our ability to put people on long-term sustainable footings in terms of writing off debt is reduced, but yes, I agree, there are absolutely myriad of solutions.

We do our best to do income maximisation, but I think there is a question there around what the sector is funded to do. In terms of the sector being funded to access broader advice and guidance on broader benefits and welfare, that is something that we try to do and we signpost, but it is not something that we are funded to do. We are only funded to get people on to debt solutions.

Q27 **Dr Coffey:** I know that CAB has been funded.

Richard Lane: Yes, absolutely, and that is where our referral partnerships are so important.

Morgan Wild: We make full use of income maximisation and tools in our debt advice to try to make sure that, within the parameters possible, people find the sources of income that they are entitled to and find the sources of investment, as you suggest.

Q28 **Dr Coffey:** Has Breathing Space worked for you? That is what I am trying to establish.

Morgan Wild: Yes.

Q29 **Dr Coffey:** I know that John Glen put a lot of effort into it. I am trying to work out whether it has worked.

Morgan Wild: Breathing Space has had hugely positive impacts in doing exactly what it says on the tin, providing breathing space to people. That helps income maximisation, because it gives you the space for it to bite, so yes.



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Q30 Dame Siobhan McDonagh: I wondered whether our witnesses would like to comment on the state of funding within the debt advice sector. The Centre for Social Justice has told us that charities with an income of under £1 million make up 96% of the voluntary sector in the UK, but 85% of the funding goes to 4.4% of charities. Would the panel agree that different intensities of debt advice, really rising out of Thérèse's question, require different levels of support and that comes at a cost? Is it the smaller, more community-based organisations, such as Commonsense Trust in my constituency, that provide more in-depth support and are, as a result, more expensive per client and more vulnerable to cuts in public spending?

Kiri Adams: There is lots there. For Christians Against Poverty, we would describe ourselves as someone that holistically supports a client. That is because, when you step into someone's home, you can see that they have no food in the cupboard. You can feel that it is cold and they cannot turn their heating on. We were encouraged to see, in the Money and Pensions Service strategy, an acknowledgement of the fact that there are some organisations that are not only sorting the debt problem out but trying to ensure that people have food, heat and anything else that might be a requirement. You cannot really effectively tackle your debt when you have so many other emergencies going on.

In terms of funding structure that encompasses that holistic support, there is not masses. You find that the more local, community-based debt advice or other help organisations, in particular, end up spending a lot more of their time than they should trying to find sustainable funding sources than actually doing the helpful stuff themselves. That is a shame. We would love to see there be easier, more accessible funding for that type of support, so that we can help more people.

Q31 Dame Siobhan McDonagh: Christians Against Poverty is a great organisation and you do great work but, unless it was your volunteers in your churches, I am not sure you would stand up with putting a bid in to a funder.

Kiri Adams: No. It depends what the funder is.

Morgan Wild: Citizens Advice is in an unusual position here, in that we are a very large advice provider, but we are comprised of 250 independent charities that operate under the Citizens Advice auspices, so face a lot of the individual funding problems but also have the benefits of our scale as an organisation. I think that the answer here is thinking about what type of debt advice ecosystem you want to sustain.

Some of that has to be on providing value for money for funders, but you also want to be investing in long-term capacity. The best people in our service are people who have been advising debt clients for 10, 15 or 30 years. It takes a lot of time to build up that sustainability. That is particularly tricky for much smaller organisations, which are, given the current funding landscape, having to constantly be hand to mouth in



terms of seeking funding. It makes it more difficult for them to build up that long-term sustainability.

Richard Lane: I would echo all of that. It has been a very difficult few years for the debt advice sector, what with commissioning processes and funding challenges. StepChange is largely funded by the financial services sector and they have been incredibly supportive over the last few years and enabled us to continue doing what we are doing. Particularly for the charity part of the debt advice sector, I do not think that we are coming out of the last few years stronger or with greater capacity than we had previously. Commissioning decisions and the influence of private corporate providers in the sector have made it very difficult for us to compete. It has made it a more competitive and more divided infrastructure in the space than we previously had.

The other thing that it is worth pointing out is that obviously you are going to be hearing about MaPS commissioning. MaPS commissioning—I apologise to my colleagues if I misquote any of these—is about £92 million of the sector in terms of funding. There is about £30 million that also goes into local authority and local provision, which we would be worried about the sustainability of over the coming few years, with all the pressures on local authority budgets.

Q32 Dame Siobhan McDonagh: In Mitcham and Morden the very best debt agency we have is a small local charity called Commonsense Trust, which has a programme called Step Forward, with three and a half members of staff. They take on the most vulnerable groups, the people with the drug and the alcohol problems, lots of things happening with the children and all sorts of things. They do the most labour-intensive sort of work, such as representing people at benefit tribunals, which takes hours. Most other agencies do not want to pick those people up because there are simply not going to be the numbers.

Next year, it faces the possibility of going down to one person, who is going to signpost. It strikes me, Chair, that everybody in the sector signposts, but what we want is not so much signposting as somebody who is going to do the actual work involved in assisting people. At the moment I am really anxious about what is going to happen because there is nothing for the group of people who currently use that service. What does the panel feel the next financial year looks like for the debt advice sector?

Kiri Adams: What we have been seeing, which we were just talking about in the line as well, is that the level of complexity of cases is increasing. I asked for a statistic since 2020 for our DMP clients, who tend to stay with us longer. There has been a 60% increase in case notes per client, which means they are ringing up, there is a change in circumstance and there is more complexity to navigate that journey. We have also seen a big jump in the number of clients who have had suicidal ideation. 50% of our clients have considered or attempted suicide as a way out of debt.



Across the sector, we are seeing that the need that people are bringing us is way beyond just the debt need. It is that whole hand-holding holistic support. Definitely more needs to be done to ensure that we can meet that need and we are not just sending people from pillar to post. That is not what they need. They need someone, people, who can champion them and help them through each of the different things that they are navigating. You are right: it is a shame to hear that that debt advice agency in your constituency is looking to downsize. We, as a sector, know that that should not happen. If it does, that is going to leave people really struggling.

Morgan Wild: I completely echo what Kiri has said. We have also seen the complexity of our debt cases roughly double over the past few years in terms of the number of problems that people are coming to us with.

You make a really good point about the fact that, too often in these commissioning processes, we are treating debt advice as a singular product when actually there is huge diversity in what different people are providing. Commonsense Trust is presumably never going to score high on existing procurement because what it is doing is so intensive. We do not have the right way to value that level of intensity because of the way that we have tried to structure our market for debt advice.

Richard Lane: I would say two things. We keep going back to this ecosystem of debt.

Q33 **Dame Siobhan McDonagh:** People would need a quite high level of competence to use your service, would they not? It provides a definite service to that group of people, but it is not for everybody, is it?

Richard Lane: It is not. There are two things there. There are people who will need intensive face-to-face support. I also think that it is important to say, with the scale of demand and need that we have for financial advice, that that will not be met in this country by simply face-to-face services. There has to be an ecosystem where those who are able to go through online. Increasingly, that is lots of people. We know that that is people's channel of choice when they come to us now.

There are lots of vulnerable people who particularly want to go through online services because it fits with when they are able to access it. They are able to do it at their own pace. If they have a fluctuating mental health condition, being able to come in and out of that online journey themselves works really well for them. We need to focus on continuing to invest in technology as a sector as well, because we simply need capacity. Debt advice that can be delivered online, backed up by a human adviser when they need it, when they can have that support, is important.

The second thing I would quickly say in terms of trends for this year is that, even for those organisations that are able to continue funding their staff, there is a worry of burnout and retention across the sector as well.



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We hear from our advisers. Let us say that they do five calls in a day. Going back five years ago, four of those would have been relatively straightforward for them to be able to go through and one of them would have been quite a harrowing, complicated call. Now, overwhelmingly, all of those calls are very difficult to deal with and so actually retention in the sector is a real challenge.

Chair: We will follow up with the search engine in terms of making sure that people have the opportunity to access.

Q34 **Dame Siobhan McDonagh:** I have one more question. It is about energy providers, so it is a different question. We know that energy bills are a massive factor in why people fall into debt. Some debt charities have even said that half of service users are stuck in energy debt and other charities say that a third of debt comes from energy bills. While the larger suppliers, such as British Gas, often have charitable trusts, they can be very bureaucratic to access in order to help with debt. If the financial services sector are paying for debt advice charities, should the energy sector not pay their fair share as well?

Richard Lane: Yes, absolutely. Yes.

Kiri Adams: Yes. We, as CAP and others, have been calling for a broader base of contributors towards debt advice, recognising that financial services pay the levy. They pay fair share and donations, but we would love to see those that benefit from debt advice, so the likes of energy, water, Government and local authorities, to be contributing towards it. I would just say energy and water do a little bit.

Morgan Wild: We have seen the impact of not having that infrastructure in place the past two years. The scale of the scandal of forced prepayment meter installations is in part a function of not having good systems in place to get their customers the debt advice they need.

Richard Lane: 52% of our clients have dual fuel arrears. There are increasing voices, particularly from the financial services, where they are paying for debt advice and doing a fantastic job of supporting us as an industry. They are wondering why, when huge demand is coming from, particularly, the energy sector, they are not paying their fair share to support a nationally vital sector.

Q35 **Keir Mather:** Thank you all very much for coming. I would like to turn to council tax and benefits repayments, if I may, but I will start perhaps with more of a quickfire generic question that I would like you all to answer. As debt advisers, which lenders and creditors do you see as being the most difficult to deal with? That is both as service providers on behalf of your clients but for service users themselves too.

Richard Lane: In terms of the debts that our clients present with that are most problematic, it is Government debt. The Government debt collection practices, both national and local, could learn a lot from some of the best practice that we see in the private sector. I would much



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rather be having a chat with my bank if I had fallen behind than my local council. I know that I would have a greater degree of confidence that I would be treated fairly, be signposted to good support and advice and have access to forbearance, whereas actually we know that, if you miss two council tax payments, that debt can very rapidly be passed on to enforcement action, bailiffs and collection, which can hugely compound the problem for people.

Kiri Adams: On the council tax, if you miss your payment and do not pay it within seven days, your whole year falls due. That is stressful, is it not, if that is you and suddenly you owe thousands? Yes, it is Government debt. We work as a sector with the Government Fairness Group and identify areas that could help improve Government debt collection. The fact is that there are not really affordability checks before deductions take place. Deductions can be as much as 25% of your income. For anybody, if suddenly 25% of your income, which is already low, gets taken away, that is a pretty harsh reality to now have to be living within. For us, we would also say Government.

Morgan Wild: We would also say Government. It is really interesting to see what has happened in financial services. A lot of the change there was driven by regulation, but I think that, if you had the chief execs of financial services firms here, they would tell you that they have been on a real journey in terms of their own corporate culture and approach to dealing with people in problem debt. They would never imagine, if the regulations lifted, going back to the kind of wild west they were in. I think that a lot of them would say that their debt collection practices are more effective and certainly more humane now. There is a positive story to Government here as well, but it is not necessarily the case that taking this aggressive approach to debt collection, certainly for council tax, is the most effective approach.

Q36 **Keir Mather:** Perhaps staying on that issue for a moment, what would you characterise as being the sort of typical impact on those in arrears where they fall into that situation where they have to stump up for an annual council tax bill after having missed a repayment over seven days? Also perhaps, what sort of person is most likely to find themselves in that predicament? I am thinking more about digital literacy, and perhaps ability to speak English. These must be things that compound your predisposition to falling into this sort of issue.

Richard Lane: It is really important to say that I recognise that councils need to collect council tax arrears to provide vital public services. I have absolutely every sympathy with that need.

In terms of impact, some of the statistics that we have here are that more than 3 million people have faced bailiffs or enforcement action from councils in just the last two years in terms of council tax arrears and that only just over 30 local authorities have a policy of exempting those in receipt of council tax support, who are by definition financially vulnerable, from bailiff action.



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While we understand that there is a time and a place for collection action when it is needed, we also have a bailiff sector that is very poorly regulated, does not have a proper independent complaints process and often is found to be overstepping the mark of what it is legally allowed to do, particularly around not identifying vulnerability and confiscating goods when that is not legally allowed to be done. It really does compound the problem for lots of people if they face that.

Kiri Adams: You are right that it tends to be people with vulnerabilities who will maybe be falling behind with council tax. There is the fact that, in England especially, you can imprison people if they do not pay their council tax. It does not happen loads, but even just the threat of that can put people's mental health in a really serious condition.

Q37 **Keir Mather:** Richard, I would be interested to ask you about what you feel is the motivation for local authorities in having this quite severe recourse if people miss their payments. Is it so that you get the scary letter through the door, it puts the fear of God in you and incentivises you paying as quickly as possible? Are there financial incentives for councils to collect that larger share straightaway in terms of the provision of services? What is the intention that lies behind the strictness of enforcement as it presently stands?

Richard Lane: There is obviously a legal basis in terms of too many missed payments and all of a sudden you become liable. I obviously would not want to make a comment on every local authority, apart from the fact that I understand that they need to collect this because it pays for vital public services. There is evidence, which we would be happy to provide to the Committee, around, where more "humane" debt collection practices have been put in place, where there are affordability assessments and they work with the client more effectively, there is higher satisfaction around the client, the local resident who might have fallen into debt, and a greater ability to be able to assess and identify vulnerability. The councils actually end up getting back more money.

Q38 **Keir Mather:** Mr Wild, Citizens Advice, in its September 2023 report, said that benefit deductions used to repay debts such as universal credit overpayments often reduce people's incomes to unsustainable levels. To what extent are you seeing benefit deductions pushing people into debt?

Morgan Wild: It is one of the biggest predictors in our data for people going into a negative budget. The same principle has to apply for benefit overpayment debts. It is legitimate to collect them and they will need collecting, but you have to have a regard to people's ability to pay, rather than what happens at the moment, which is these deductions being applied often automatically and leaving people very little wiggle room to manage their overall debt portfolio. If you are in one type of debt, you tend to be in multiple types. It makes it very hard for our debt advisers to work out good, effective debt management plans.

Q39 **Keir Mather:** Why do you think it is that you see such a marked contrast



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in many instances between public and private creditors when it comes to their treatment of those in debt? What are the underlying causes of that?

Morgan Wild: It is a good question. As a regulator, the state is pretty good, and has got better, at setting rules for private companies that are not intensely prescriptive but are pretty clear on the outcomes that they want to see. Firms are pretty good at working out how to deliver on those outcomes where the regulator and we, as a society, have said, "That is fair".

The Government, as debt collector themselves, do not have quite the same relationship. There is no one saying, "You shall collect debt in this way". The rules tend to be a lot more rigid. The rule that has been mentioned about liability for the full council tax for the year is nationally set and there is no real wiggle room on it. The upside is that there is a lot of private sector good practice to look to and, ultimately, this is not hard: reduce prescriptive regulation, look at pre-action protocols and assess debt repayment on ability to pay. We know that those three constituent parts lead to a more humane and, as Richard says, more effective debt management system.

Q40 Keir Mather: I suppose, to an extent, if the Government are the rule-setter and the debt collector, they do not face the same sort of market-based reputational considerations that private sector banks would.

On HMRC and having time to pay arrangements for unpaid tax, which are usually set up as half of a taxpayer's disposable income, is there any efficacy in moving towards a system where Government Departments and councils implement similar arrangements, where it is more focused on that disposable side of people's income? Is it actually the case where the people you work with are in such a state of financial precariousness that disposable income is not a tangible thing to base a repayment plan on, if that makes sense?

Morgan Wild: I do not know what other colleagues think about this. We have a pretty good system in the standard financial statements where we go through this rigorous approach of working out what people's incomes are, what income they might be eligible for and what people's necessary spending is that is sensitive to their overall position, so their size of household, for example, or the cost of energy in their area. That system works pretty well. We just need to bring Government into line with that best practice.

Richard Lane: I would absolutely echo that. We actually surveyed our clients who were facing Government deductions, and 69% of them told us that they had not had any sort of affordability assessment on the deductions they might face. There will be some who absolutely can repay and, where they can, we would absolutely support them to do that, but it is important that we understand what their level of affordability is.

To your previous question, it is worth calling out that we have 10 years this year of the FCA. There is a very positive story to tell there in terms of



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how financial services markets have moved along. The implementation last year of the consumer duty is going to continue that cultural shift in the financial services sector, where it is putting clients' needs at the heart of those services. I would like to call that out as a really good news story.

Kiri Adams: The culture is key. From just talking with Government and with the financial services and utilities sector, the culture of the collections teams is different. Often in the Government space it is, "We cannot make that change". I understand that Government is big and any slight change in a process is really difficult, but that tends to be the reason why there are not changes in the policies and processes that are quite harsh on people who are in need.

Q41 **Keir Mather:** I had one last question. I wondered, to conclude, whether you could sketch a broad painting of the landscape of where we are actually at in terms of these people who engage with the Government and with local authorities and have their financial precariousness baked in by the kind of reactive, quite strict enforcement mechanisms that people have if they fall into arrears. What is the scale of that as a human problem that people across the UK are facing in 2024?

Richard Lane: As you said, there are 3 million people in just the last two years who have faced enforcement and bailiff action due to it. We work with a number of those families and often the fact is that vulnerability is not properly assessed. There is the fact that people can often have items confiscated that they should not have confiscated by bailiffs. The impact on people's mental health can be absolutely severe. The other thing that we see is that, at that point, the debt that is originally owed can spiral enormously quickly. The fees and charges that get added for home visits and things like that mean that what can often start as a relatively small debt can spiral very rapidly.

Kiri Adams: Painting the picture, as I already have done, on priority debts, which Government debt would fall under, we are seeing a rise. I think, looking ahead to this year, it is only going to get worse as people are struggling. 50% of our clients have an unsustainable budget. That is a deficit of £271 per month that they are falling short. We would be anticipating that Government debt is only going to become more of a problem.

Morgan Wild: I completely echo that. There is a feeling of bleakness to this for a lot of people that we see and that affects our advisers as well. You get into debt advice because you want to help people who are down on their luck and have fallen behind on their bills to get back on their feet and get back on with their lives. When we say that people are in a negative budget, all that means is that they cannot make the sums add up. That is a pretty difficult, bleak situation for lots of society to be in.

Q42 **Dr Coffey:** Talking about deductions, the cap on deductions has fallen in the last few years. It is down to 25%. It is only on the standard allowance except for what are called last-resort deductions, where there



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is a risk of being evicted or disconnected from utilities. I am quite interested in some of the evidence being given because what is for one person an overpayment caused by forgetting to declare that somebody else lives in the house some people may view as fraud. That is taxpayers' money going that way. I used to be Secretary of State for DWP so I have seen both sides.

One of the things that I am interested in, in effect, is what is happening in terms of DWP being open to people saying, "I cannot afford to do this", and managing that over a longer timeframe. Are you finding that DWP is responsive to that? Are people just not taking advantage of it? I am trying to get a sense of what is happening on the ground.

Morgan Wild: Very often we see it happening as an automatic change.

Q43 **Dr Coffey:** It will automate. Of course, people can go to ask.

Morgan Wild: Indeed, yes. It is a really mixed picture. We see some people who have excellent relationships with their DWP contacts; we see other people who have much worse relationships.

The overwhelming problem is one of policy, though, rather than operation. We do not have a principle, like in the private sector, of making judgments based on the ability to pay. If that principle were in place, a lot of the problems we see downstream could be avoided.

Q44 **Dr Coffey:** Building on that, although councils do not like it, people can choose to have their council tax split over 12 months. In your experience, how many councils tend to resist that? Which councils are quickest to turn to the bailiffs?

Richard Lane: I do not have that information to hand. I can see what our statistics and advisers are telling us in terms of splitting over 12 months and provide that to the Committee.

Q45 **Dr Coffey:** The reason I have brought that up is because ultimately councils do have reserves. I know council finances are stretched, but it does concern me if councils are quickly turning to bailiffs. Then again, they will be handing out to some people, with another budget, homeless prevention grants or whatever it is in that regard. Do you have any experience or information about that? We can do our research, but getting an understanding of what is happening on the ground would be really helpful.

Richard Lane: We will follow up.

Kiri Adams: One of the things that you have raised—this is a challenge for national advice agencies—is the difference across different local authorities. Just in terms of relationships, it is hard for us to build relationships and to help local authorities understand the types of people who we are helping so that, if we give them a call or send them an email, they understand what we are trying to do and that we are working



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together to help this person get out of debt. That is a challenge that the sector faces.

- Q46 **Dr Coffey:** It might be. CAP operates in my constituency. I do not actually know how many people use StepChange and CAB. It will vary, but that is part of the challenge that you are trying to face. These are different communities. Quite often, these are national policies. I was interested in what you mentioned about the exemption on IVA earlier. I would be very happy to receive an email that we can follow up on specifically which regulations you are referring to.

DWP, to some extent, and MaPS, through its commissioning, can differentiate around the country. There will be contracts, but they can take these factors into account. We might want to ask MaPS some of these questions: how do you take something with a national fund and look at the local picture? As you point out, there may be different charities around the country that rely on CAB's national helpline, but their experiences will vary. The attitudes, frankly, to other stuff will vary as well.

Morgan Wild: That is a core part of our offer to people. We are based in people's local communities. The relationships that Citizens Advice has locally, for funding reasons as well as in terms of ongoing relationships, are really strong. We often find that we are well placed to negotiate on council tax debt in particular, but we are hamstrung by the overall outline policy issues that are causing these downstream issues.

Dr Coffey: That is very helpful.

- Q47 **Chair:** In wrapping up this morning's first session—we have another session—I am very quickly going to ask about buy now, pay later. You are all in favour of it being regulated, are you not? No one is going to disagree with me on that. The consultation has been with the Government for some period of time. Are you seeing evidence across your work that buy now, pay later is more than just a convenient way to pay and is actually increasing debt for your customers? Is that the case?

Morgan Wild: Yes.

- Q48 **Chair:** You are seeing increased harm because of buy now, pay later.

Morgan Wild: People are using buy now, pay later to manage, in a way, the cost of living crisis. What was once a product that was meant to help with the smoothing of costs of large products, which is very helpful to people on low incomes, is increasingly being used to cover the cost of essentials. That is an understandable response by people in the short run but contributes to these long-term consequences when things go wrong and when their ultimate problem is that their expenditure exceeds their income.

- Q49 **Chair:** It is increasing harm.

Morgan Wild: Yes.



Q50 **Chair:** Would you agree with that?

Kiri Adams: Yes. We are seeing a rise each year in the number of clients that have buy now, pay later debt. We are concerned about the number of people that do not realise it is a form of credit that they are taking out. They think, "I do not have to pay now", but, if they do default, often interest and charges get retrospectively added right to when they took it out initially rather than from when they default.

It is complicated. There are sometimes lots of different layers of interest and fees. When they come to us for help, we need to wade into that, understand what they owe and how we can help them.

Richard Lane: I would absolutely agree with that. Our polling shows that buy now, pay later users are three times as likely to be in financial difficulty as the wider population. Our polling suggests that about 32% of people do not recognise that it is a type of credit. We are seeing online checkout journeys in particular where there is considerably less friction if people use buy now, pay later than if they use their debit card.

Chair: Thank you so much for giving us an overview of the landscape. This is only the first panel in our session this morning. I am going to say that that concludes this first panel. Thank you for your time.

Examination of witnesses

Witnesses: Anna Hall and Caroline Siarkiewicz.

Q51 **Chair:** We have our second panel of the morning on the day after blue Monday to talk about debt advice. We have the Money and Pensions Service here. I am going to start by asking you to introduce yourselves.

Caroline Siarkiewicz: Good morning. I am Caroline Siarkiewicz. I am the CEO at the Money and Pensions Service.

Anna Hall: Good morning. I am Anna Hall. I am the head of money and debt operations at the Money and Pensions Service.

Q52 **Dr Coffey:** You have just recently published a document, I think it was last week. I will not pretend that I have had the chance to scrutinise it, but I know that our brilliant Clerks have been looking into elements of this. You are a national organisation. Can you tell me a little bit about how, in coming up with that strategy, you have been able to get the balance right between what is happening on the ground in parts of the country and what is happening everywhere? Every MP will tell you there will be either widespread poverty or pockets of poverty. How are you differentiating in some of the contracts you are giving?

Caroline Siarkiewicz: I am absolutely delighted to publish the consultation on the next stage of our debt advice strategy. One of the



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things we are really looking to identify in the consultation is how best we use our funding.

You have heard this morning the complexities and the differences that exist in the type of people struggling with debts. The point was made pretty concisely this morning that the overall number of people struggling with debt has not really changed in a very long time, but the type of people and the type of problems that they have now is what has changed.

There are still a number of people who would benefit from debt advice that are not coming forward for it, as well as a growing waiting list. That probably comes more sharply into focus because during the pandemic there were lots of people who did not come forward for debt advice. We saw an absolute dip in the numbers of people coming forward as face-to-face services were shutting down and because the forbearance that came in from creditors was not driving people to come forward and seek advice.

One of the things we want to do in the consultation is, as I say, make the best use of the funding that MaPS has, to have the greatest impact on as many people as possible and also to make sure there are specific groups of people who can access support in the way they need it. That is why we want to talk to the sector. We have created an adviser panel so we have people giving advice on a day-to-day basis to understand how best the functions can be helped. That will come back into us. We will then be able to analyse the data and have a look at mapping out the best way of helping and supporting people who are struggling with their debts.

Q53 Dr Coffey: Can I just clarify? You just mentioned an advisory panel. Is that people who are in debt or the providers of debt advice?

Caroline Siarkiewicz: That is debt advisers.

Q54 Dr Coffey: Building on that, the debt advice steering group was disbanded in 2021. It had a wide variety of different organisations. Are you seeing this advisory panel as a substitute for that?

Caroline Siarkiewicz: No. It has just changed its name from the debt advice steering group to the debt advice reference group. Anna runs and started that group. I do not know whether you want to talk a little bit about that group and who is on it, Anna.

Anna Hall: Yes, of course. One of the things we are trying to do at the Money and Pensions Service at the moment is really engage with the sector in a much more comprehensive way.

As Caroline mentioned, we have the adviser panel, which is a large cohort panel where we send out customer pulse surveys every month to find out how their advice-giving is going and what they are finding day to day. We also have a smaller adviser panel, which has given us such rich data that has informed the consultation. At the moment we have 16 advisers from



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a range of services, including the organisations that were here this morning and all the other debt advice-type organisations, so fee chargers, housing associations and all the people that give debt advice across England. That is giving us a really rich insight into what it is like to be a debt adviser and bringing the voice of the adviser into the decision-making at MaPS.

Alongside that we also have the debt advice reference group, which has the CEOs or directors from a range of debt advice organisations. UK Finance is on that group, and regulators join that group on a quarterly basis as well. That helps us find out what is happening on the ground. We talk about a lot of the issues that have come up this morning, and we try to look at strategic solutions that we will come up with from that.

Q55 Dr Coffey: Clearly, MaPS is not involved in why people get into debt, how they get into debt or different elements of that, but you are effectively using taxpayers' money and some other funding to try to help people manage and ultimately get out of debt.

Tell me about the change in approach. It was grants; now we are into more of a contract arrangement. How are you monitoring that and its effectiveness? Are you looking at the different routes to market? Is telephone more effective than face-to-face? Individuals are individuals, but overall where are you getting the most impact from your commissioning in terms of outcomes?

Caroline Siarkiewicz: In terms of how we commission services, you are right: we use a combination of contracts and grants. The contracts started on 1 February 2023. That is the first time that we had contracts in place. Previously, MaPS gave grants to a number of organisations. Those contracts have been able to help over 100,000 more people in this current year. That is not necessarily because they are a contract; it is the nature of the contracts.

We have tried to differentiate how we support the people who need help. Our grants are going out to local community organisations through lead organisations. I do not know whether your specific agency receives any of our funding, but there would be agencies like that that would be able to access funding through a lead organisation in that way.

In community-based services, we find that it is not just about face-to-face. It is not that you go there for face-to-face. That is not what they are there to do, primarily. It is about having localised support. We need to understand what difference that makes in the outcome for people. As we have talked about, there is a large number of people who need debt advice. Some can be helped with relatively light-touch interventions. Others cannot and never will be able to. We want to make sure we have a balance. We want to help as many people as possible, but we do not want to do that by just doing the easier-to-help cases and neglecting those people who need much more wraparound help.



As we are an arm's-length body that was previously reporting to you, Thérèse, as Secretary of State for DWP, you will know it is really important that we get that balance right. When we have our conversations with DWP and Treasury, which owns the policy in this area, we make it very clear about what is happening on the ground. We say, "Do not keep asking us to push up the targets", because that can be detrimental. We need to make sure we are helping as many people as possible but not by excluding hard-to-reach and hard-to-help groups.

Q56 Dr Coffey: I was going to ask particularly about the route to the channel. What are you evaluating regarding this money? You are getting an increase in the budget. I assume that is about trying to be more effective, not just in terms of the numbers. Help me understand that.

Anna Hall: Just building on what Caroline said, one of the things that we discovered from the community-based grants was that the targets were really driving some poor practice. The increase in client complexity meant that people were not able to spend the amount of time that they needed to help somebody get to a good outcome.

From 1 April last year we reduced the volume targets for our community-based grants. We are helping fewer people with that money, but they are getting much better outcomes. As the representatives this morning said, people often need holistic support. Sometimes they need a lot of support just to get to the point of being able to get what we would perhaps traditionally have called debt advice.

They might need help to get a food bank voucher or help to get their electricity back on. Some of those real crisis things need to be resolved before the debt advice can happen. The debt advisers in the community-based services, using those local referral networks, are absolutely invaluable, but they needed time to be able to do those things. Otherwise, to your point earlier, they were signposting and the other organisations down the road were getting those clients before they had had any value added.

We have amended the way that we run the community-based grants. We are monitoring all of that. That is one of the things the adviser panels are telling us. The contracts give us a great deal more data. They are for our national services, our debt relief orders and business debt services. We are monitoring the amount of time it takes for each client to be served so we can tell whether it is taking longer and therefore we can adjust accordingly.

It is also becoming quite clear that there are some inefficiencies in the system across the debt advice sector. One of the things we are looking at in the consultation is whether or not we can spend some of our money making things easier for advisers to do their jobs. Another thing that the adviser panel has told us is that sometimes they spend hours on the phone to certain customer service departments just to get a small bit of data to get that first picture of the client's debt situation before they can



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carry on. That is money we do not want to be spending, so that we can then help another client in a better way.

Q57 **Dr Coffey:** What is the approximate split between community-based and non-community-based in terms of your commissioning?

Anna Hall: For this year, we are spending £30 million on community-based services, £36 million on national services—those are nationally accessible services, which can be digital or telephone—£6 million on debt relief order units and then finally £3 million on business debt services. We have some other services as well, but those are the broad categories.

Q58 **Chair:** Moving on from that budget line question, I notice that your budget has gone up 18% over the last two years to £168 million a year. Do you recognise that figure? Is the main increase coming from the levy-payers or is it coming mainly from DWP?

Caroline Siarkiewicz: All of our funding is levy. MaPS draws funding from two levies, the financial services levy and the general pensions levy. The financial services levy is what funds debt advice.

Q59 **Chair:** How much do you levy?

Caroline Siarkiewicz: Since MaPS has been in existence, we have seen an increase in our funding. Back in 2020-21, our budget was £64 million for debt advice services. That has increased in the current year to £92.6 million. You will see an increase in funding going through in our debt advice space. Across MaPS as a whole, our overall budget has also increased.

Q60 **Chair:** What are you levying on? How does the levy work?

Caroline Siarkiewicz: We will put together a bid to go through the comprehensive spending review. We will set out, as we did in the current comprehensive spending review, how we will spend our funding over the next three years. We are coming to the end of that comprehensive spending review. We will go through a variety of gateways to set out what we are going to do in each of our service delivery areas, because, although MaPS spends the majority of its budget on debt advice, we also do money guidance and pensions guidance. We provide a much broader set of services at the same time.

Q61 **Chair:** For the people who are paying the levy, how does the levy work? That is really what I am trying to get to.

Caroline Siarkiewicz: As an arm's-length body of DWP, we give our budget to DWP and Treasury. They then raise the levy through the FCA. The FCA draws the money in, gives it to DWP and then the DWP gives it to us.

Q62 **Chair:** The FCA is your delivery body. For a typical £100 million pension fund, let us say, what are we talking about the levy being?



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Caroline Siarkiewicz: The fee blocks are quite complicated. They will vary depending on what we are raising the funds for. I do not want to describe it as a bit of a black box, but there are a variety of different fee blocks that the FCA will then levy against depending proportionately on how that works.

That would be a question that the FCA would be able to answer completely, but I can share with you that there is a variety of different fee blocks that represent different areas of financial services and pension providers. They will be levied proportionate on what MaPS is going to use the money for.

Q63 **Chair:** It is not proportionate to how big the pension fund is or whether they have a big loan book to consumers. It is not proportionate to that.

Caroline Siarkiewicz: There is always a link in the fee blocks to how the organisation that is going to be levied makes a profit. There is a correlation between how they make their money and what our money is going to be used on.

Q64 **Chair:** You will have heard the evidence from the previous session. Do you support the argument that the levy should go to some of the energy companies, the water companies and some of the other places where consumers are incurring debt?

Caroline Siarkiewicz: It is a policy issue. Prior to the existence of MaPS, there was the Money Advice Service. That was one of the three organisations that formed MaPS. During the time of the Money Advice Service, there was a one-off levy raised against the utility companies to support debt advice after it had been found that a number of the debts were coming through. We certainly echo the view that the range of debts coming through now are much broader than just in financial services.

Q65 **Chair:** In terms of this black box, you have very little control over what is in the black box. You do a bottoms-up budget: "This is the need", and that is how you got to your £168 million. The rest of it is left to the FCA to implement. Have I understood that correctly?

Caroline Siarkiewicz: The FCA, the DWP and the Treasury, yes. I do not want it to sound like hocus-pocus, but there is a structure that works that through. We do not have any say in that structure.

Q66 **Chair:** You do a bottom-up, "This is the need". That is where your input ends.

In terms of managing your cost structure, you are moving to Bedford this quarter. How is that going?

Caroline Siarkiewicz: It is going pretty well. The official opening is 1 February. We are moving into Bedford Borough Council's council offices. We have taken a floor there, which we are moving into. We will be doing quite a lot of hybrid working as we move to Bedford. One of the things that we have seen post pandemic is that a lower footprint is required in



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terms of office space. Our debt advisers all work for organisations outside of MaPS. One of the things that has been very clear to us is that we need to make sure none of our service delivery areas is impacted by the move to Bedford.

We have managed to sign variations to employment contracts with all of our people so that we are not having a cliff edge of people resigning and leaving us. So far, so good. My successor will have to make sure that it works.

Q67 **Chair:** How many employees do you have in terms of full-time equivalents?

Caroline Siarkiewicz: We have 560.

Q68 **Chair:** How much is the move to Bedford saving the Money and Pensions Service?

Caroline Siarkiewicz: I would be happy to write you with the actual figure on that, but it will be saving money as we move outside of London, as this lease comes to an end.

Q69 **Chair:** What about you, Anna? Do you know that number off the top of your head?

Caroline Siarkiewicz: Anna would not know that number.

Anna Hall: I am afraid I do not, no.

Q70 **Chair:** You mentioned staff costs and that most people are moving with you, but your turnover of staff was a quite startlingly large 26% in 2021-22. That was up from 18% in 2021. Do you recognise that as a high turnover figure, Caroline? Is it something that worries you?

Caroline Siarkiewicz: Yes, I do recognise the 27% figure. It absolutely did present some challenges for us. A lot of that included a number of contractors on fixed-term appointments that were coming to an end. It was not a figure that reflected our baseline workforce that were actually resigning; it was a lot of contracts coming to an end.

A lot of those contracts that we had have now been converted into full-time established roles and our turnover rate is now dropping. We do report that regularly to our sponsoring Department, DWP, because we want to make sure there is full visibility of that.

We had the spike. A lot of that was to do with fixed-term contracts that were coming to an end. Part of that is to do with the fact that we are still a relatively new organisation. We came into existence in 2019. Three organisations came together. We then went into Covid. We were working that through. We took on contractors as we made sure that we switched what we were trying to focus on to get us through the pandemic.

Q71 **Chair:** Your headcount is down as well as your turnover.



Caroline Siarkiewicz: Headcount has gone up. The reason that headcount has gone up is primarily because one of the things that we have at MaPS is a team of pension guiders who are directly employed by us. There have been some changes in the pension space around stronger nudges to get people to come to pension guidance and in terms of people wanting to make sure they are avoiding scams. There were some changes in policy that meant we needed to build up our team. A lot of the growth was in our pension guidance delivery space.

Q72 **Chair:** In terms of your projections forward, is your baseline workforce going to remain the same at this current level?

Caroline Siarkiewicz: It is not going to grow. We currently have a piece of OD work.

Q73 **Chair:** What does "OD" stand for?

Caroline Siarkiewicz: I am sorry. It stands for "organisation design". We are looking at our structures and the number of skills and competences that we have. As we do our new three-year corporate strategy, we want to make sure that the skills, competences and structures of the team align very much with what we need to deliver going forward.

Some of the groundwork is in place to do that, and the new leadership team will then, as part of its submission for the next spending review, align staffing resources to what we are going to set out to achieve.

Q74 **Chair:** Finally, on advice guidance and the boundary, do you support the proposals in the joint FCA-Treasury consultation?

Caroline Siarkiewicz: Yes, we are part of the group that is involved in giving evidence to that. One of the things that we are very mindful of is that we do not want to grow the advice gap. That is the number of people who can afford to go and get paid-for financial advice. It is shrinking. We want to make sure there is somewhere for those people to go.

We are very confident. Certainly, the equality scores for people who have our guidance are very good. With a move of the boundary, we could go that much further with individuals to support them.

Chair: You are supportive of what is on the table.

Q75 **Siobhan McDonagh:** You will have heard our discussion about individual voluntary arrangements with the previous panel. As we have spoken about, private companies are profiting from IVAs and selling them to vulnerable customers. Hanover Insolvency is a debt company that sold IVAs to customers who were totally unsuitable for that sort of debt management plan. It paid third-party agencies, such as the Facebook page "Mums in Debt", that would channel customers to them for commission. What is MaPS doing to crack down on companies like Hanover Insolvency?



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Anna Hall: We recognise the sorts of issues you are describing and we agree with what the panel this morning said. Whereas IVAs can be a really suitable solution for some clients, the issue around the fact that they tend not to get full debt advice before they are recommended that product is causing some serious issues.

Similar to the panel this morning, we absolutely support greater regulation of this sector. We were very supportive of the Insolvency Service taking on that regulation, but that has not been taken forward. Although there has been an agreement to improve the regulation, we will be monitoring that really closely to see whether that has the impact that the Government are hoping for.

The advertising side is really important. I noted what the panel said this morning. We worked with Google recently to tighten up the rules on how debt advice organisations can advertise on Google. There are now checks that Google will put in place to make sure that companies are regulated in the appropriate way for the services that they are advertising.

Something really similar could happen with IVAs. We are really supportive of that. We would be very happy to support the Committee on any work in that area.

Q76 Siobhan McDonagh: In June, the FCA banned referral fees for debt packages like the group called Mums in Debt that I mentioned. Pre-IVA advice still does not come under FCA regulation. Does the Treasury need to amend legislation so that the FCA can properly regulate IVAs?

Anna Hall: We are in favour of increasing the regulation.

Q77 Siobhan McDonagh: How much influence would you have on that area of policy?

Anna Hall: We offer the insight that we get from across our funded services and what the rest of the sector is telling us. They are the ones on the front line. They give us evidence through our adviser panels and the calls for evidence that we do, and then we feed that through. We have really good relationships with the Insolvency Service and the FCA. We present evidence to them from our experience.

Q78 Siobhan McDonagh: We all owe a debt of gratitude to Channel 4 for all the work they have done on IVAs because they have brought much of this stuff to the fore.

We know that in most cases customers cannot afford an IVA. They would be much better off going for a debt relief order and writing off their debt. That currently costs £90, which is paid to the Insolvency Service. Does this mean it would be a good idea if we just abolished IVAs?

Anna Hall: IVAs can be a good solution for some people. Properly regulated, that is possible. There are large numbers of people who are getting inappropriate IVAs. That needs to stop. As you said, debt relief orders, bankruptcy and debt management plans are often much better



solutions for lots of people. We are really calling for better regulation and monitoring of that.

Q79 Keir Mather: We asked some questions of the previous panel about benefit repayments and the struggles that people face with repayment of council tax when they are charged exorbitant amounts if they fall into arrears. From your perspective, is it more conducive for you to be having conversations with local authority providers or Government Departments about some of these practices as opposed to the debt advice organisations that we spoke to earlier in the session?

Caroline Siarkiewicz: One of the things that MaPS does is a little bit of co-ordination and convening work. One of the things that we have worked with local authorities on is the creditor toolkit. Dr Coffey raised the question about local authorities. I cannot answer that off the top of my head, but I can tell you that we have identified a number of authorities across the whole of the UK that have best practice in terms of the enforcement and collection of debts. That has been really helpful.

We also have something called the Money Adviser Network, which allows local authorities to refer their customers straight to us. We will then send them on to the appropriate advice agency. It is a fast route to get people in.

The previous panel also mentioned the standard financial statement. One of the things that does is an affordability check. Some local authorities have started to sign up to using the standard financial statement. It takes people's income and expenditure and it identifies what is left. In many cases, unfortunately, that has proven to be a negative budget.

The standard financial statement provides consistency. One of the things that people who are in debt struggle with is that different creditors have different practices. They do not know which to pay first. They do get very stressed in that space. One of the things that is really important is consistency. The standard financial statement is a really good vehicle for trying to bring that consistency forward.

Again, I agree with the previous panel. They said that some financial services creditors have gone on that journey and recognised that good debt advice gets them their money back. It is not a case of not getting their money back. Doing it in a way that people can afford works in the round; it works for the client, but it also works for the creditors too.

Q80 Keir Mather: Forgive my ignorance in asking this question, perhaps, but one thing I am trying to tease out from these two panels is about citizens who are heavily indebted, who are not making ends meet at the end of the month, and their leverage as citizens in the UK to be able to point toward things like councils imposing onerous repayments on them and things like that.

It feels like they are not in a position to be able to advocate for the change they would like to see as citizens. I wonder what you think the



most appropriate form of recourse is for citizens who are facing this sort of quite draconian treatment from some local authorities. They would like to be able to raise their concerns and hope that there is a public sector body that is able to reflect those concerns out both to Government and local authorities. Could you perhaps give me some help there?

Caroline Siarkiewicz: Of the people who come forward for debt advice, certainly the ones that are funded through MaPS, 50% have a diagnosed mental health issue. That is a diagnosed mental health issue, not just that they have an issue with mental health. The people who are coming forward and who need help and support are very much disadvantaged. They really need to be helped in a way that recognises the difficulties that they are having.

We are not a consumer group, but there are a number of consumer groups across the UK. Effectively, Citizens Advice is one; StepChange plays a good role in that too. It is for those sorts of organisations to share information with policymakers. Again, we do not have a role in policymaking. We deliver the policy of Treasury and DWP in the areas that we work.

We certainly hear what is happening on the ground. It is very much a role for consumer bodies, MPs, local councillors and Channel 4. There is something about sharing that news and information. Action then tends to follow.

Q81 **Keir Mather:** It is very good to remind us about what is incumbent upon us as Members of Parliament in terms of representing the interests of some of our most vulnerable constituents.

To pick up on something that Citizens Advice mentioned earlier—that its helpline only allows it to meet one-third of demand—are people slipping through the gaps of MaPS's provision too? Would you perhaps be able to provide us with a bit more detail as to who you think those people are?

Caroline Siarkiewicz: I am going to ask Anna to do that because she also wants to come back a little bit on the previous question.

Anna Hall: On the previous question, as Caroline said, we are not a consumer group, but we can get the experience from across the sector and then inform some of those Government bodies.

The Levelling Up, Housing and Communities Committee recently made recommendations on council tax enforcement. One of the recommendations was to get a statutory code of practice. We can help them with that. That brings together all of the sector experience. We tend to work behind the scenes, bringing that full sector experience to those Government pieces of work. That is how we try to operate.

On provision, at the moment we know that there are around 8 to 9 million people who could benefit from having debt advice support. Not all of those people will seek it for a variety of reasons, but last year around



about 2 million people got that help. There is a really big gap there that you can see.

There is an issue in terms of whether we can increase capacity and bring more funding into the sector, but there are also other things, such as what is stopping people from accessing support. If some of our services are digital, that is somewhat limitless. People can go to a website and put their information into a tool. Not everyone is doing that.

There are a number of barriers that stop people taking debt advice. We are really interested in that. Some of these things are that people tend to think they are too overwhelmed to be able to take action. They have an immediate pressing crisis that is stopping them from going, "I need to look at my finances now".

There is something about debt advice as well: it is not really a household known thing. People do not know what debt advice is. They might have heard of it, but they do not necessarily know, if they go and get it, what it looks like. When someone knows they are going to a GP, they know what is going to happen when they walk through the door. What happens when you get debt advice?

We did some research recently on motivations and barriers to people getting debt advice. One of those things was around not knowing what will happen, but there were also concerns around whether they would lose agency, whether they would be disempowered, whether something bad would happen or whether it would impact their credit rating immediately. Those things are unknown.

Some people are not getting the help they need because of those barriers. Some people also do not recognise that they are in problem debt. We have a definition of what it means to be in problem debt, which is about whether you have missed a priority payment or are using buy now, pay later to manage your ongoing food bills and things. Not everyone would see that as a problem.

Until someone recognises that they actually have a problem, they do not necessarily seek advice. Some of that gap between the 9 million and the 2 million is people not taking the step to take debt advice.

When you get there, we do have a capacity issue. There is definitely a mismatch between supply and demand. We would always welcome increased funding into the sector through a variety of means, but, as I mentioned before, there is something about the way that the money is spent. We need to make sure we are as efficient as possible as well as making sure there are enough advisers to see people.

Q82 Keir Mather: Picking up on the point you made earlier about a relentless focus on a target prejudicing those who require the most resource but are in the most need of help, is that something that you expect to see increasingly playing out over the course of 2024 in terms of the service



you provide?

Anna Hall: That is what we are monitoring really closely. For our community-based grants, we help just under 100,000 people a year. We are looking to see whether the reduction in the volume targets is enough and whether we have done enough to be able to get good outcomes. We have evaluations of the services. We have quality schemes in place. We also check in with a number of the clients that have gone through the process to see whether they got what they needed. That is showing good things at the moment, but that is something we really need to keep an eye on. As client profiles change, as their need changes and as that complexity that we heard about this morning changes, it is really important that our services adapt to do that.

We have a range of services, but where we put our money is one of the things that the consultation is all about. How do we best spend our money to get the good outcomes that people need?

Q83 **Keir Mather:** Just finally, you shifted from commissioning in the form of grants in January 2023 toward a more contract-based way of working. With a year's hindsight, is there anything that you feel that needs to be tuned up in the existing system that you have moved to? Is there anything that you or the external organisations that you work with would like to see improvement on?

Anna Hall: The new services that started on 1 February last year are working really well. With the contracts, we had an implementation period. We found out some things, as you do with every new service. As we come to the end of the first year—we will publish our results fairly shortly—we have achieved what we wanted to.

There are definitely some things about the way that the service is running that we have learned. Those things are mainly about the way that clients have changed and what is happening. We will reflect on those.

Some of that is also to do with flexibility of those contracts over time. You set up a contract that is going to be three or five years, and you are trying to make it to be as appropriate for a client on day one as it is at the end of that five years. We have learned some things about how we might need to flex that as we go through, but they are working really well.

The community-based grants are also working well. One of the things that we are looking at in the consultation is whether we will switch to contracts for the community-based space. Is that appropriate? Is it the right thing to do? Would we do the same kind of contracting again? We are happy to take the learning from this first year and to consider all the other options before we make future commissioning decisions.

Caroline Siarkiewicz: Can I just add one further thing to that? One of the things that came very starkly into focus from our commissioning round was the impact of our funding against other sources of funding in



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the sector. Our funding accounts for about 25% of the total funding going into debt advice.

We recognise that there is a lot of call on the financial services sector to provide levy funding or charitable donations, which they do give directly to some of the charities. One of the things that we need to be careful of is that we do not just move funding into a MaPS levy and away from something that would go directly from financial services anyway.

There is an opportunity to look broadly across the whole funding landscape. It is not a question of whether we want to increase funding. We actually want to increase capacity. If we just put more funding into MaPS but it is taken away from somewhere else, that is not putting in new capacity.

We really need to make sure we look across the whole piece. I will not call it a market because I tend to agree with Dame Angela that it probably is not a sophisticated market, but it certainly is a sector that has a lot of different sources of funding that sometimes drive different competing behaviours. We need to play very carefully in that space.

Again, this is why the consultation is so important. We need to ensure there are no unintended consequences from what we want to try to do.

Q84 Chair: Just on that point, do you see it as your role to do that broader piece of work? Is that what your consultation is designed to address?

Caroline Siarkiewicz: We are asking for views from people who are in the sector, who can give us evidence that we can then take a view on. I do not know whether we will get enough conclusive evidence. We have done some pieces of research to look at funding models in the sector so that we have a better understanding of multiple organisations, exactly how they are being funded and what their business model is. We can then take that on board so that, when we do go out with the services that we want to commission, be that through grant or through contract, which is to be determined, we are doing the best we can.

Q85 Chair: You mentioned buy now, pay later earlier. Is there evidence that that is causing greater harm for consumers?

Anna Hall: Yes. As the panel said this morning, when it is used in a way where people are smoothing their large purchases over three or four months, that is working fine. There are lots of individuals who may end up with 30 or 40 creditors to whom they are paying £5, £10 or £20. Suddenly they have a huge debt problem because they have taken on a number of these buy now, pay later arrangements. It can get overwhelming very quickly. The evidence from our advisers is that it is causing a problem for people.

Q86 Chair: Is it your organisation's view that it should be brought into the regulatory perimeter?



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Anna Hall: We are bringing the evidence that the sector is telling us and passing that on to—

Q87 **Chair:** You do not have a view per se as your organisation.

Anna Hall: We do not.

Q88 **Siobhan McDonagh:** I have a question about something we have touched on. I spoke to a number of debt practitioners who feel that there is a movement towards virtual advice because it is easier to get through bigger numbers for a lower price.

In one debt practitioner's experience, her clients were so vulnerable that they could not access support online and needed to be helped in person. As we have discussed, they often have severe mental health problems. Having a cup of tea for 20 minutes can be the best entry into obtaining advice, if it is from somebody who they know and who they can trust with their most private information. Can you reassure debt advice practitioners that your funding is not going to be linked to digitalisation?

Caroline Siarkiewicz: I am leaving the Money and Pensions Service at the end of this month. I can give you the view of MaPS as it is now. Anna might want to talk a little bit more about the consultation.

We absolutely recognise that people need to access services in a way that helps them as individuals. During the pandemic, face-to-face effectively was not happening because people were not moving around. Community groups had to help people and reach out to them in different ways. Community providers that were exclusively face-to-face were helping people digitally and over the phone. During that period, there were certain groups of people who did not come forward because they could not be helped on those channels.

One of the things that we have to do—it is in the Act that sets us up—is make sure that our resources are focused on those most in need. Arguably, you could say that people who are struggling with debt are those most in need, but within that group there are a number of other segments of people. They need to access help in a different way.

Mental health might be a trigger that says, "I cannot see people. I have to do this online because my mental health is such that I can only do it in that way". Equally, there is another manifestation of that that means, "I need someone to be with me, give me confidence and help support me through that". People have different needs. One of the things that we are trying to do—it is a work in progress because needs change—is to make sure, when we start out on our commissioning journey, we have a really good view of the landscape, the size and the complexity of debt.

Overall, as you commented, the Governor of the Bank of England said that it has not really changed. It has not really changed in terms of the finite number. There have always been people who have not been able to access debt advice. That has probably grown a little bit. The complexity,



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the type of people and the type of debt that people have is what has changed. That is what is driving a lot of things at the moment.

From my point of view as chief exec of the Money and Pensions Service, we are absolutely committed and required by statute to make sure our resources are targeted to those most vulnerable within that group. Our evidence shows us that people need to access that support in different ways. We really need to understand the numbers of people who need these different types of access to make sure our provision and services maps as close as we can to that. Forgive the pun.

Chair: I will bring this evidence session to a conclusion now. Thank you very much for your time and for giving us your evidence.