

# Women and Equalities Committee

## Oral evidence: Impact of the rising cost of living on women, HC 128

Wednesday 31 January 2024

Ordered by the House of Commons to be published on 31 January 2024.

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Members present: Caroline Nokes (Chair); Carolyn Harris; Kate Osborne; Kirsten Oswald.

Questions 97 - 150

### Witnesses

[I](#): Dr Nicola Sharp-Jeffs OBE, Chief Executive at Surviving Economic Abuse; Kate Osiadacz, Head of Responsible Business at TSB Bank Plc; Farah Nazeer, Chief Executive at Women's Aid.

[II](#): Mary Macleod, Chief Executive at Business in the Community; Charles Cotton, Senior Advisor at Chartered Institute of Personnel and Development (CIPD); Nikki Pound, Women's Policy Officer at Trades Union Congress.

## Examination of witnesses

Witnesses: Dr Nicola Sharp-Jeffs OBE, Kate Osiadacz and Farah Nazeer.

Q97 **Chair:** Good afternoon. Welcome to this afternoon's session of the Women and Equalities Select Committee and our second evidence session into the cost of living and the impact on women. Can I thank our three first panel witnesses? We have Dr Nicola Sharp-Jeffs, chief executive of Surviving Economic Abuse, Farah Nazir, chief executive of Women's Aid, and Kate Osiadacz, head of responsible business at TSB Bank. Before we start, can I just check, are you all happy that we refer to you by your first names?

**Witnesses** indicated assent.

**Chair:** Thank you very much.

As usual, members of the Committee will ask you questions in turn. I will start with a question for you all, but I will start with Farah. Can you briefly outline how perpetrators of domestic abuse are using the current cost of living crisis to their advantage and to the detriment of victims?

**Farah Nazeer:** At Women's Aid, the picture that we are seeing, and our understanding, comes from our 200-odd members who provide services directly on the ground. Perpetrators are, firstly, making it harder for survivors, victims, to access funding and any sort of money. For example, the money that one might use to go shopping is restricted and restricted, so the ability for survivors to save some over is not there.

Perpetrators are also restricting access to food and essential goods and blackmailing survivors with regard to essential goods for children. Then you have the piece which I have no doubt Nic will talk about: enforced and coerced debt and using the cost of living to make a survivor's world smaller and smaller, so they are unable to leave the house, cannot afford transport, cannot afford a day out—cannot afford, cannot afford.

So it is being used as a real mechanism to ramp up coercive control. We know that 80% of the women we work with experience economic abuse, financial abuse, as part of the coercive control they experience within domestic abuse.

Q98 **Chair:** I am going to ask this specifically of you, Farah, but I would appreciate it if the other witnesses would also give a thought to this. We have had it put to us that perpetrators are using things like apps that can control heating remotely as a further tool against survivors. Have you seen much evidence of that?

**Farah Nazeer:** Absolutely. This is where economic abuse and tech abuse and online abuse cross over. All forms of these abuses intersect—turning heating off, controlling access to accounts and funds, all electronically. Often, if a perpetrator feels like a woman might be looking to leave in some way and therefore might need to access benefits, or is looking at how to do that, they'll flood the woman's accounts with funding so they



are not able to access any sort of state support, and then promptly remove it. There are all kinds of online manipulation, but, absolutely, access to warmth, heat, food and shelter—these are the tools of perpetration.

Q99 **Chair:** Thank you. Nicola?

**Dr Sharp-Jeffs:** At Surviving Economic Abuse, we know that 95% of domestic violence victims will experience economic abuse as part of coercive and controlling behaviour. We know that every day is a cost of living crisis for them, but the actual cost of living crisis and the context which that creates enables the abuser to extend the control they already have in different ways, but also to start that control as well.

Farah has already spoken to different ways in which perpetrators might use the cost of living crisis as an excuse to, perhaps, restrict victim-survivors' access to economic resources. It is important to flag that this is both during the relationship, but also post separation, when an abuser's economic control actually commonly escalates, because those other forms of control, such as physical violence, for example, have been taken away. So they might say that, because of the cost of living crisis, they can no longer afford to buy essentials such as food or clothing and that these are luxury items that should not be bought during a crisis.

They may do things like insist that the family share bathwater, for example, with the victim-survivor going last in the dirty, cold water. In this way, it overlaps with the psychological abuse. They may restrict the use of toilet paper, and we see how this feeds into degradation. They may claim that, post separation, they can no longer afford spousal or child maintenance. They might refuse to sell a joint asset because of the housing market; we have seen the impact on the cost of mortgages during the cost of living crisis as well.

To your point about being able to operate the heating from outside the home, they might put the victim-survivor's name on the electricity bill and then deliberately put the heating on and leave it high for a long period of time.

They might take credit out in the victim-survivor's name through coercion, because they say money is tight. We see lots of exploitation in that space. Sometimes victim-survivors might have to get into debt because of all this, and we then see the sabotage of credit ratings, which makes it really difficult for victims and survivors moving forward.

The abuser may also do things to undermine the victim-survivor's economic wellbeing more generally: they might slash all the car tyres so the victim-survivor cannot get to work, and that might sabotage that victim-survivor's employment, too, because, again, in the cost of living crisis, employers might be looking to cut costs. Things like persistent lateness, absenteeism and so on might feed into a situation where a



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victim-survivor is more likely to lose their employment. Perpetrators are very aware of this and they take advantage of it.

I am sure Farah will speak more to this, because Women's Aid have done some really important research around it, but I would also just add that it is really difficult to leave. Our frontline partner, Money Advice Plus, which is a charity that provides specialist money and debt advice, used to have a really powerful advocacy tool. They used to be able to say to a victim or survivor, "Let's sit down together. Let's develop a budget. Despite what the perpetrator's told you, there is support available. You will be able to cope alone. You can be independent." But at the moment we are finding that, because of the cost of living crisis, actually two thirds of domestic abuse survivors that they are in contact with have a negative budget—they are in a deficit budget—and cannot afford to live in the moment, let alone to leave and have the additional resources that are needed to do that. One third have less than a £100 surplus at the end of every month as well.

So it is a really difficult situation, as I say, with perpetrators really taking advantage of the situation, in a context where lots of people are making cutbacks, which, in many ways, makes it easier to normalise and excuse this behaviour from the outside looking in.

Q100 **Chair:** Kate, from the bank's perspective, what evidence have you seen?

**Kate Osiadacz:** From our perspective, we see it when our customers come in to us and are experiencing financial hardship. We have trained all our staff to spot the signs of economic abuse and, importantly, to know what to do when they identify that it is happening. What we are seeing is a use of our flee fund—a pot of money that is available to TSB customers to enable them to seek safety—but we are also seeing an uptick in the number of our customers that are ending up with our tailored support team. This is a specialist group of colleagues who are even more trained to support, and are empowered to help, with coerced debt and the longer-tail impact of domestic abuse on our customers.

Q101 **Chair:** How long has that team been in place?

**Kate Osiadacz:** A number of years—so five years or more. They go across all our vulnerabilities. Over the last three and a half years, we have really been looking at how we could do more to support victim-survivors of domestic abuse. We found that we have had to train more of those colleagues to understand the situation, working alongside colleagues from Surviving Economic Abuse. We lean on our charity partners to give our colleagues that insight to help them. So we have definitely seen an uptick.

Q102 **Chair:** I was going to ask you to quantify that. You have been tracking it for a while. Can you put numbers on how much you have seen it increase?



**Kate Osiadacz:** I could not tell you that today. I can certainly come back to you with that number.

Q103 **Chair:** That would be very interesting for us. And the same question to Farah: are you seeing an increase in the numbers of women accessing your service because of financial abuse?

**Farah Nazeer:** Financial abuse has always been part of domestic abuse. It is testament to the great work that Nic and colleagues have done that it is more visible and you can see it now. It is a facet of coercive control, which has always been at the heart of domestic abuse. I would not say there has been an uplift, because it has always been there.

What there has been is an exacerbation of it—so the harms are felt more profoundly. Perpetrators are using the cost of living crisis as a mechanism to intensify control and the mechanisms of control and degradation, as Nic has just described, whether that is bathwater, heating, sanitary products or threatening survivors with what their children can and cannot have. There are all kinds of mechanisms which, from the outside, as colleagues have said, are more justifiable and harder to call out if there is a cost of living crisis in place.

These crimes are accompanied by deep, deep guilt, blame and shame, so it is very difficult for survivors to talk about this very readily, but what we have seen is a real intensification of it. Ninety percent of the survivors we work with have always had a facet of it; now, 75%, I think, are saying that it has intensified and got significantly worse.

Q104 **Chair:** Are you are measuring that?

**Farah Nazeer:** We are measuring it, yes.

Q105 **Chair:** Thank you. Nicola, same question.

**Dr Sharp-Jeffs:** I would add that the cost of living crisis has come so quickly off the back of the global covid pandemic that you cannot really separate the two. We hardly had time to pause for breath before we came out of one crisis and into another, and that has really impacted survivors of domestic abuse negatively.

In terms of that piece about the intensification, it is harder to leave. We know that having access to economic resources, or being economically stable, is one of the reasons why a lot of victims and survivors do not leave. As a consequence of that, we see them staying for longer than they would do. Inevitably, they are going to experience more harm as a consequence of that.

We also know that research around coercive control shows that economic abuse, when it is present in that context, increases the risk of both suicide and homicide. They might not be more prevalent, necessarily, but we had a survey undertaken recently that showed that one in five, or around 5.5 million of the population, are experiencing economic abuse,



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which does compare with the one in six figure pre the pandemic. That might suggest some kind of increase. I just think it demonstrates how widespread this really is.

I would also say that, in terms of the combined effect we are seeing on the coerced debt piece, we know that 60% of economic abuse survivors will be coerced into debt by a partner or a former partner. Pre covid and the cost of living crisis, the average debt for a victim-survivor was £4,600. Our partners at Money Advice Plus tell us that the average debt is now £27,000, so that has increased six times post covid and now during the cost of living crisis. Victims of domestic abuse are very keenly experiencing that intensification and that difficult economic climate that we are existing in.

To go back to the leaving piece, how do you rebuild your life independently when you have all this debt? You have an awful credit rating. You might be homeless because you have lost your house. And then there are your job prospects. It has always been a challenge, but it is just such an uphill struggle at this point in time. That is why it is fantastic to sit next to colleagues in the banking sector who now have flee funds. We have had the Government's announcement today around the flexible funding. This support has always been needed—as I said, it has always been a cost of living crisis—but it has never been so needed.

**Q106 Chair:** Kate, Nicola has just painted a very stark picture of an increase from an average debt of £4,600 to over £27,000 for survivors. How does TSB, as a bank, tackle the intensification? Is that about training more staff or training more staff more rigorously? How does that happen?

**Kate Osiadacz:** It is both. You have specialisms, and those individuals in our tailored support teams, as I mentioned, get this intense level of training. They work pretty much one on one with the women coming to us, who have very complex needs. Often when they present themselves, there are debts and there is domestic abuse, but then there could be mental and health issues—it is complex. There is a requirement to unpick that and to tailor the solution available for that individual.

When you talk about training more colleagues, one of the areas we are really focused on at the moment is how we spot and identify coerced debt and coercion early on. Often, from our experience—I would defer to my colleagues here—a victim does not always recognise that what is happening to them is actually coercion; they just think, "Well somebody's taking an interest in my money. That's okay. That's what is expected." Or they think, "I'm an older person. I've always been given housekeeping. This kind of makes sense to me." We train our colleagues to help our customers understand the situation that they may be in.

**Q107 Chair:** How hard is it for your colleagues to be trained, when most of your customers are online now?



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**Kate Osiadacz:** We do speak with our customers. Yes, when you are face to face, that is a great opportunity because you see the whites of the eyes and you can really get a sense. But, equally, over our telephone service, we speak to customers, whether they are coming to us because they think they are experiencing fraud on their account or they need some help, and through our video banking channels as well, where we serve our customers directly.

Q108 **Chair:** I do not want you to reveal any commercially sensitive information, but do you have systems in place where, if there are red flags and triggers on accounts, you might identify somebody you would proactively reach out to?

**Kate Osiadacz:** No, we do not at this moment, although the technology does actually exist, because we use it in our fraud operations. One of the areas we are looking at is how we use that technology to better inform us and to give us data so that we can intervene.

Q109 **Kirsten Oswald:** Let us continue down that line. Kate, let us maybe continue that conversation with you. What do you think about the extent to which survivors of domestic abuse who have coerced debts are able to get these debts written off and their credit files restored?

**Kate Osiadacz:** I do not think there is a straightforward answer to that question, because it very much depends on the organisation you are dealing with, and that is part of the challenge. It is never as simple as that the £27,000 of debt occurs with one lender; it is across many different lenders.

At TSB we have a case-by-case basis. We have to consider both parties on our accounts when it is joint debt, so there are challenges that we experience in that. But, equally, that tailored support and really looking at what the particular solution is for that customer is very important to us.

We are part of something called the economic abuse evidence form, which enables the victim-survivor to tell their story once to any of the creditors that are part of the scheme. That information is then shared, and we will accept the information, rather than quizzing and challenging the individual or making them feel like they have to justify why they are coming to us. So that is a really positive thing. I do not know, but Nic might be better placed to expand on that.

Q110 **Kirsten Oswald:** I would be happy to hear your thoughts, Nicola.

**Dr Sharp-Jeffs:** Just to say that the economic abuse evidence form—we are thrilled that TSB is piloting that with us—was a recommendation from the Money and Pensions Service following the report written off the back of covid in relation to the UK financial wellbeing strategy. We have been partnering that with Money Advice Plus; it was their idea. It is actually modelled on the Money and Mental Health scheme. In that case, someone is in debt because of their mental health, and their doctor signs



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a letter to say that that is the case. The economic abuse evidence form is an information-sharing tool filled in by a specialist money and debt adviser that says that economic abuse has happened.

Previously, a victim-survivor would go directly to a firm and they would probably share lots of information, photos and things, which could actually be quite difficult for the person working in the bank to receive—I am just thinking about everyone's wellbeing. Because victims and survivors have, on average, five to seven different creditors, they would be doing that five to seven different times.

As Kate says, the economic abuse evidence form is one information-sharing tool. It is accompanied by a request letter, so when it is used in the context of coerced debt, there will be a letter alongside explaining what the debts are and asking for a solution. To date—I have some stats here—we have had 323 request letters submitted alongside the economic abuse evidence form relating to £1.5 million of debt. This has led to a decision to write off debts in 270 cases so far, and that represents a total write-off of £1.3 million.

This approach has also improved decision times. When a victim-survivor used to go directly to the bank, it would take about 121 days to come to a solution. It now takes 53 days on average, although one firm decided within four hours that they were going to write off a debt for a victim-survivor. So, over time, we are hoping to see even quicker decisions. Increasingly, this is being recognised as best practice within the sector.

There is a broader piece around consumer law that we also need to look at. At the minute, with consumer law, the contract is just between the person who is lending the money and the person who is borrowing the money. A third party, in terms of duress, cannot come into that at all; that cannot be taken into consideration. We would like to see some changes to consumer law, and we are working with some pro bono legal people around that.

You might come on to talk about mortgages a bit later, but I just want to flag that there are differences between that being a secured debt versus the unsecured debt I am talking about, where you have joint liability, which makes things a bit more complicated. But, again, work is happening to address that.

**Q111 Kirsten Oswald:** Can we go down that road a little further? I am just wondering what other kinds of interventions, legal or otherwise, you think are needed to better protect survivors with coerced debts. Nicola first, and then I will maybe ask the same question of you, Farah.

**Dr Sharp-Jeffs:** I would say that the financial services industry is doing a huge amount, and probably more than the public sector—there is probably a lot of learning that the public sector could take on board. Certainly, within the banking space, UK Finance developed a financial abuse code in 2018. Firms like TSB signed up to that. There are 29



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firms across 40 brands all adhering to those same principles, which is important in terms of consistency for victims and survivors.

The Financial Conduct Authority now recognises economic control as a form of domestic abuse in their customer vulnerability guidance, which is brilliant. Also, the game changer for us is the consumer duty the Financial Conduct Authority has introduced, which is about preventing foreseeable harm. We know so much about economic abuse, which goes back to the questions about patterns. Can we see this? Absolutely, we can, and we can help firms think through how they develop products to make it more difficult for perpetrators to take control of those.

Developments in that space are really important but, back to this piece about debt, some of that will be public debt as well. It is brilliant if firms are responding and perhaps writing off debts, but if it is a public debt—it could be council tax or a student loan—and the public sector is not responding in the same way, the impact in the overall sense of the word is going to be quite limited for the victim or survivor, because they are not able to deal with absolutely everything. We need more joint working and consistency across all the different aspects of debt.

**Q112 Kirsten Oswald:** Would the concern you just raised about public debt also apply to Government debt?

**Dr Sharp-Jeffs:** Yes, absolutely. We worked with the Cabinet Office to develop a toolkit for the public sector—again in partnership with Money Advice Plus—and we would really like to see that used in different spaces. Child maintenance would be a key one in terms of post-separation debt, and I am also thinking of the overpayment of benefits and things like that. It could be really usefully deployed in that area as well.

I would say that the Treasury is being super supportive. It has created an interactive toolkit which has been rolled out to HMRC staff—which has to be accompanied by training—to try to make a difference in that space as well. So we are starting to see some good practice, but not in the same way as within the private sector.

**Q113 Kirsten Oswald:** Thank you for that. Farah, can we go back to the question about other interventions you would like to see?

**Farah Nazeer:** From my perspective, and building on what Nic has said, it is about the systems that wrap around a survivor presenting with a significant amount of debt. The vast majority of women we work with come with at least £5,000 of debt if they have been in an economic relationship with a perpetrator, so it is something we are very used to seeing. We need to ensure that the services they really need to support them—for example, the Child Maintenance Service—are working. We need to ensure that the service is supporting survivors to claim the maintenance they need from the perpetrator, rather than making it harder for survivors to access that support. The service does not hold perpetrators to account as it needs to. Even the Collect and Pay service it



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has put in place is not really supporting survivors in the way it needs to, and it costs a lot; it is significantly more expensive. If you have a person in debt who is waiting for their debt to be cleared—if it is indeed cleared—you have these services around them that are not working. Ditto for legal aid: currently, access to legal aid is prohibitive for survivors of domestic abuse; it is not designed for survivors of domestic abuse when, actually, they are among the cohort that need it the most.

Then, when you look at public debt, we are really behind with the way public services respond to this coerced debt. For example, with council tax, child benefit payments, the over-claiming of child benefit payments and all sorts of other things, they just take their time and need a lot of persuading. In part, that comes down to the approaches to domestic abuse and the societal misogyny that we live with, as well as a fundamental lack of direction and a lack of training. It is very much the services that wrap around a survivor that really need to begin to step up and match some of the progress we are seeing in the private sector.

**Q114 Kirsten Oswald:** That is very helpful, thank you. I wonder how you would rate Government frontline services. You have spoken about how the Child Maintenance Service and the Jobcentre, for instance, respond to cases of domestic abuse. If you have concerns, have you raised those at all?

**Farah Nazeer:** I spend most of my time raising concerns of this nature. Thinking about the DWP, for example, it is fair to say that while there are efforts in place, the vast majority of staff are not trained. They do not get the training that Kate described colleagues at TSB, for example, getting. They get a very limited amount of training. Given that a third of women, in particular, are coerced away from employment and another third—if they are in employment or education—are actively and routinely sabotaged, you have a very vulnerable cohort interacting with the DWP, jobcentres and so on on a regular basis. The understanding and the training are just not there.

The mechanisms and infrastructure around the welfare system are also rudimentary, frankly, when it comes to addressing the needs of survivors of domestic abuse. For example, there is the two-child cap. What do you do in circumstances of non-consent conception? That is not something that somebody's going to readily admit to, but it is a very real thing. I could go on. For example, in terms of easements and not forcing a survivor of domestic abuse into work, the average time a person experiences domestic abuse is six to seven years—we are seeing a slight decrease, but you cannot go from that six or seven years straight into a job. You need a period of recovery to readjust to the outside world. Forcing people into work, and not giving them the 12 to 18 months they need to readjust and actually be in control of their own destiny is not an acceptable way to get them back on their feet and into work. There is a whole set of infrastructural issues that are really detrimental to the aim of the DWP, which is to get people back into work.



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**Q115 Kirsten Oswald:** That is very helpful. Nicola, to come back to you—you started to talk about this a little—what are the specific challenges for survivors of domestic abuse who are still financially linked to their abuser after separation? I am thinking about things like a joint mortgage or joint tenancy. Do you think the FCA's new consumer duty will help with that? If others want to come in, they are very welcome to.

**Dr Sharp-Jeffs:** Things like the consumer duty will certainly help in the long term to prevent economic abuse from happening, by closing down those opportunities to control. That is not to say that I do not think firms could revisit products they already have, as you say, specifically around linked products, because victims and survivors may have fled, and the abuser might have no idea where they are, but they can continue to control in that way.

We have been working with Aviva. Last year, they did a survey and found that the use of mortgages within economic control was really high. It has also been an issue that has increased in visibility in the work that Money Advice Plus do. It is tricky to address, because of the secured debt piece, certainly in terms of mortgages, but also joint and several liability. For example, we are increasingly seeing things like victim-survivors being unable to remove an abuser from the mortgage without the abuser's consent, so they refuse consent to continue control. Victim-survivors cannot make affordability decisions, such as switching to better terms—that might be a better interest rate, taking a mortgage holiday or arranging interest-only repayment periods. Again, the perpetrator refuses to consent, so none of that can happen.

You can imagine that there are probably victim-survivors paying the mortgage while in a relationship with the abuser. They have continued to pay it post separation. They come off their fixed mortgage interest rate, it goes sky-high and they cannot afford it any more. They could afford it if the perpetrator agreed to a new rate, but the perpetrator does not. The home goes into repossession. They lose the home they have spent years trying to keep over their and their children's heads, often going without to be able to do that, because home is such an important place for them. So that continues the harm post separation.

Again, back to Farah's point about systems, you might be able to go to court to ask for some kind of financial settlement. The court might say, "Yes, let's transfer this into the victim-survivor's name." The survivor might go to the bank with the order and then, unfortunately, the bank cannot do anything because, just looking at affordability, that individual does not pass the affordability test.

Back to Farah's point about legal aid, the only way of going back round that circle and back to court is to pay out more money. Sometimes, a mortgage might be seen as an asset, so the person might not be able to access legal aid. So you can see that it becomes quite a vicious circle, and it can result in homelessness and destitution. We really need to be



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joining up the systems and making them work together to resolve some of these issues.

Government can certainly help with that, and the regulator can help. We have been working on a briefing paper around mortgages specifically, with some pro bono support, as I said. We have some really good ideas that we would like to share and to get some support around to address some of these issues.

I would add that a lot of banks and building societies do not talk about the work they are doing. Again, TSB is fantastic for being really public about this. We are aware of really good practice but, because of concerns about fraud and people taking advantage, this is not something the banks talk about. That is a real shame because there is some really fantastic practice and people are going to really great lengths to support victims and survivors. The more we share that, and the more that that happens, the more consistency you have for victims and survivors, and the more confident they are to come forward because they know there will be support. It is sad that we concentrate on the 2% of people who might be fraudulent versus the 98% who we could be supporting, when we could be changing the lives of them and their children. We really need to turn this around and to encourage firms not to worry about fraud or to think about competition rules, potentially, because they are showing what they are doing. Organisations like TSB are really showing the way and demonstrating that, actually, that does not happen and that a real difference can be made.

**Kirsten Oswald:** Thank you for that.

**Farah Nazeer:** Just to the point on repossession and destitution, it is often a mechanism for perpetrators to enforce that scenario—bringing a woman and her children back to court to claim custody of the children and further post-separation abuse. It is a very tried-and-tested method, and it works because of all the issues around legal aid and being able to fight for your rights in a system that is largely weighed against you when it comes to the family courts.

**Kirsten Oswald:** Thank you very much for that. Thank you, Chair.

Q116 **Chair:** Farah and Kate—again, I do not want you to reveal anything you do not want to reveal—how many hours of training would a TSB staff member get?

**Kate Osiadacz:** Basically, it depends on your role. For our tailored support team, it is around five hours of training. It is an annual process, so it is an ongoing thing. One thing I would say about the tailored support team is that they are constantly learning. They are obviously exposed to some pretty hairy stuff, and part of their process is debriefing and sharing learning as they go along. So there is that, and we also bring charity partners in to support with that learning.



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For our other staff—our frontline members of staff—there is a minimum core of an hour. That might not sound an awful lot, but it goes through bite-sized chunks of what to spot, when to spot, and what to do if you identify, including how to use safe spaces in our branches or to direct things online.

What we find from that, wrapping around our training, is a constant conversation and awareness. In the external world, we talk about what we do but, obviously, we talk to our colleagues and we encourage them to share with us what they are experiencing. That is one of our activities and focus areas at the bank, and it keeps the issue alive. From a line manager perspective, it is a 45-minute session.

- Q117 **Chair:** It is an hour for a frontline member of staff, but they are identifying and then referring to the tailored support team, who have much more in-depth training and experience.

**Kate Osiadacz:** Absolutely.

- Q118 **Chair:** Farah—this may well be a question we have to pose to the DWP in writing—do you know how many hours training a frontline work coach would get, for example?

**Farah Nazeer:** I have a view on how much they should get, and I would very much urge you to ask the DWP about the nature of the training and what those staff are expected to do on the back of their training, because I think there is a gap between the webinar they are provided with and the expectations of what they will deliver.

Frankly, when a survivor comes into a jobcentre, for example, they could put themselves in danger if they reveal they are a survivor of domestic abuse or they need refuge or support. You are going into territory there where you need people who are properly trained, who actually understand and are connected to their local services and who are able to refer to a more specialist team with deeper knowledge of how to engage and respond to people experiencing domestic abuse. But there are also those who might present with disabilities, those who do not have English as a first language and those who come from other minoritised backgrounds. There is probably a question to be posed to the DWP.

- Q119 **Chair:** That need not be a model so very different from TSB, who are providing a first tier of training for frontline staff and then referring on to something more specialist?

**Farah Nazeer:** That is a sensible model. The DWP will probably encounter a higher proportion who have come with more complex needs. Perhaps there is a need for greater training because of the complexity they might be faced with.

**Dr Sharp-Jeffs:** Just on the point about training and why we do it, it is not just about knowledge; it is about changing the hearts and minds of individuals. What we have seen in terms of the banks really changing



their practice is that people have come on training around economic abuse specifically and understood how they, inadvertently, can be part of the control the perpetrators are exercising—how they themselves are used, as part of the system, to enact that abuse. When they see that and understand the issue very clearly, they come up with the solutions. We are not experts in the financial services sector. The firms themselves and the professionals who work within them absolutely recognise what needs to happen. They become absolute champions and change the business, to the point that, at Lloyds Banking Group, there is a team of 30 individuals, as part of a specialist domestic and financial abuse team, who will not only be dealing with coerced debt, but supporting victims and survivors to, really importantly, access specialist services so that they get the wraparound support they need. Individuals will also be undergoing refresher training, which really enable them to provide bespoke and tailored support to the victim or survivor. Wouldn't it be wonderful if the DWP and the Child Maintenance Service could have specialist teams focusing on victims and survivors of domestic abuse, knowing that that is probably the one population that uses them most? It just seems nonsensical to me not to do that.

**Farah Nazeer:** Absolutely, and it is probably worth emphasising that training is part of the equation. It needs leadership and cultural change, and training is just the end point; it is part of a circle. We can see what happens when the public sector just invests in training without the leadership, vision or accountability around it.

Q120 **Carolyn Harris:** Kate, we talked about staff training. Would staff be able to identify red flags where there was abuse going on and the female in the relationship was not identifying it or was afraid to speak out? Is it that kind of training as well?

**Kate Osiadacz:** Yes, absolutely. The kinds of things we train our colleagues to spot are changes in behaviour or certain behaviours. A good example would be that you are talking to a customer and they are obviously preoccupied, they are looking behind themselves and they are feeling anxious in their environment. That might go through to when you talk about sending something to their home address, and the reaction you get is disproportionate in comparison to the reaction you would get from another customer. It is those kinds of things.

The training is also about how to ask questions without making the individual feel even more vulnerable. It is about that questioning, and there is a crossover with many of the vulnerabilities that our customers experience and that we handle. This training touches quite a lot of different areas, but we do have bespoke domestic abuse training.

Q121 **Carolyn Harris:** I actually visited Lloyds—it was not TSB—and they have a really good set-up in Newport. I think they use a sentence or a word that is like a safe word. Is that something you have done, or has anyone here heard of that kind of set-up?



**Kate Osiadacz:** Yes. I think what you are talking about is the Ask for ANI scheme.

**Carolyn Harris:** Something like that, yes.

**Kate Osiadacz:** It is basically code for, "I need some help." We are not part of the Ask for ANI scheme. However, what we have found through our ongoing conversations with our customers is that they are more likely to disclose to us, as a bank, than they are anywhere else. That is because we are talking with them on a one-on-one basis around something that is very personal—their money—and those environments create openness.

Q122 **Carolyn Harris:** What about older women? I worry that a lot of older women will have been entrenched in this kind of behaviour for so long that they think, "This is how the world is. This has always happened. It happened to my mother and my grandmother. This is what men and women do when they are in relationships. So there we are: I've just got to put up with it." Do you see a lot of that, or are we moving away from that now?

**Kate Osiadacz:** Farah, you might be better placed to answer that from an age perspective.

**Farah Nazeer:** I think that that is true. We are certainly seeing more older women presenting to us. On the one hand, that is positive, because it means that people are recognising that this is not normal, that it should not be tolerated and that it should not be their expectation. But it is harder to find ways and mechanisms to really support and engage, and that is something we are working on as a sector. We are working with specialist organisations like Hourglass and so on, who particularly think about how we support older women in these contexts. The end point is to ensure that that woman has safety, is protected and can go on and live her life, but there are, invariably, complexities within that. Culture, expectation and, I guess, that person's perception of what society expects are very present in those conversations, and we can only really move as fast as the survivor herself is willing to move, but we do our best to try to ensure people are kept safe.

Q123 **Carolyn Harris:** This is not traditionally a well-paid area to get a job in, and a lot of those who support you will be volunteers. Are your staff struggling, as well as the women they are trying to help financially? Are they accessing food banks? I tell you for why: I run a rather large hamper campaign in my constituency and across others, and every year we give hampers at Christmas and Easter. We feed a lot of women and their families in hostels and refuges, and this year we found ourselves not only having to give more but giving support and help to the women who were doing the work of looking after these victims. I just wondered if you were seeing that with your staff—that they are struggling.

**Farah Nazeer:** It is a great question; thank you for asking it. When we surveyed survivors, we found that 83% of them cannot cobble together



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the £200 to £300 they need to leave an abusive relationship. Equally, when we have surveyed our membership, they are hugely struggling to stay afloat. The majority are looking at having to reduce service, turn people away and, in some cases, shut down altogether. The percentage of our services that feel they are in jeopardy increases to 85% when you are looking at those services that cater particularly for minoritised groupings, because they are often out of that commissioning funding equation.

That is likely to get significantly worse with the number of section 114s councils are issuing. We can see a couple have done so already, and 16 are in the offing, with 66 likely to declare at some point in this forthcoming financial year. What we have also found is that, in one in five of our services, staff are having to use food banks. We are talking about people who are working full time and doing a very difficult job, and those services are absolutely struggling to give those staff cost of living increases. The reason they are struggling to do that is that their commissioning contracts, issued largely by local authorities, do not make any account for inflationary increases or the cost of living and so on and so forth. Nor is there any sort of meaningful support for increased utility bills until such a time when they normalise back to the value of the contracts.

We are in a context where one in five of our services find their staff are having to use food banks, and we are facing the decimation of the sector that is there to support the women we are talking about—the survivors we are talking about. If those services are not there, frankly, the rest of it is for the birds.

**Q124 Carolyn Harris:** Is the Government's £76 million community organisations cost of living fund having any effect at all with your organisation?

**Farah Nazeer:** I was on the advisory board for that fund, and I was really pleased they included domestic abuse organisations as a criterion for it. Some of our member services charities have it, and some have not. We are very pleased that it is there, but the bottom line is that it is a sticking plaster. What these services need is commissioned contracts that recognise the work they do and that are long-term, sustainable contracts. The sector just needs to be properly funded. These emergency mechanisms are helpful in the short term, but let us look at them for what they are: they are a sticking plaster; they are not going to solve the problem of an insecure sector struggling to attract staff.

If your contract is a two-year contract, you have a mortgage and a family and you can see people using food banks, it is not an attractive sector to come into. However, the sector desperately needs people to come into it, and it desperately needs funding in order to serve the survivors that come to it. Currently, depending on the month, we are holding a 60% to 70% first-refusal rate into refuge. That is a chronically underfunded sector, but the amount it would take to keep the sector sustainable is



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0.6% of the combined spend of DLUHC, the Home Office and the Ministry of Justice. It is not a huge amount, given that we are talking about the greatest crime committed, particularly against women, in this country. So that is very much a choice.

**Q125 Carolyn Harris:** It seems to me that a lot of the resource that you guys are getting is coming from the third sector. The Chair and I have done a lot of work with Beauty Banks, who provide hygiene products for women, and I am constantly going into different refuges and giving women the basics, like shower gel. Are you speaking to Ministers about what more they need to be doing to help you, because this cannot go on, can it? Something is going to break.

**Farah Nazeer:** Yes, it is very close to breaking because, even when the sector finds these bits of funding—like this £76 million grant—it cannot attract the staff. That funding will expire in six months' time, and then where is the actual grant that keeps these services going? It costs £427 million to fund the sector, which is peanuts to the public purse. The sector is currently funded to a third of that. There is real concern that the sector will break, particularly given the section 114s we are looking at now. What we are finding is that, rather than use the Domestic Abuse Act funding to sustain safe places for domestic abuse survivors, local authorities are bringing that in-house to balance their own books. There is something fundamentally wrong with the system when it comes to funding the sector.

**Carolyn Harris:** Thank you for all you do. Thank you, Chair.

**Q126 Chair:** I am not sure this really fits in this section of questioning, but I am going to ask it anyway. We have heard a lot about how effective the TSB funding has been, and we have heard what Lloyds has done. I am also conscious that Starling Bank has what I am going to refer to as a widget—a very clever gizmo—that allows victims of domestic abuse to not receive aggressive, controlling, coercive messages via the banking system or via bank transfers. I always use the example where, for a quid, you can send 100 messages at 1p each, with however many characters per message, leading up to a whole chain of aggressive abuse and intimidation. Although many banks will filter out key words, Starling's technology enables the whole picture to be picked up and stopped. How good is the rest of the banking sector at picking that up?

**Kate Osiadacz:** I will take that question. That is one of the things we openly share and talk about as part of our membership of UK Finance. We have a specific group looking at this and at that technology to understand how they have done it and how we can, therefore, apply that to our own systems. Giving back control to the individual over what they choose to see is one of the confidence-building parts of how you help a survivor thrive. It is definitely something we are learning from and looking at to see how we can implement it ourselves.

**Q127 Chair:** This was not a criticism.



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**Kate Osiadacz:** No, it is fine.

**Chair:** I know that TSB is doing quite well on this, but I think Starling rolled that out the best part of a year ago. Why is everybody else being so slow? As I understood it, Starling was prepared to make the technology available to everyone? I am looking at Nicola.

**Dr Sharp-Jeffs:** It goes back to the transparency piece. We know that a lot of banks and building societies are doing work in this space. Again, Starling has been talking publicly about what they are doing. Actually, I know from conversations with Starling that they already had the solution developed for another context: it was a victim-survivor who was in touch with us because they were receiving child maintenance payments containing abusive messages. We flagged it to Starling, and they were able to look at a solution and to do it very quickly. To your point, they have shared it with other banks and building societies. Certainly, there is a lot of use of profanity filters at the moment, so a number of words will now be caught.

But, again, we know that victims' experience of domestic abuse is so personal and tailored to them. This morning, I was talking to one of the firms we work with. They said, "One of the things that stays with us in terms of the training that we provided was that one payment reference was Remember Paris." You might look at that and think, "Oh, that's lovely. They are invoking memories of a romantic weekend away in Paris." No, that victim-survivor was locked in a hotel room, raped, beaten and starved before they came home; they did not have a very nice weekend in Paris. The ability for these messages to pop up on your phone, as they do now, and to take you back into that context—to Kate's point—means it is really important that these solutions are survivor-centred and controlled by survivors so that they can choose not to see these things.

I would also add that it is about holding the perpetrator accountable. We need banks to look at their terms and conditions and say that, "If you are sending messages like that, we are going to unbank you. We are going to give you one opportunity to change your behaviour, and if you don't, we are going to withdraw our service." We have to hold the perpetrators accountable and stop them, rather than all our solutions being about how we make it better.

Q128 **Chair:** Absolutely. I could not agree with you more. Does TSB debank perpetrators?

**Kate Osiadacz:** We do not have that in our current terms and conditions. It is one of the things we are looking at—how we bring it in.

Q129 **Kate Osborne:** Good afternoon. My first question is for you, Kate. The evidence the Committee has received around people who have experienced domestic abuse and being forced to stay with perpetrators is always distressing. Of course, it is even harder now, with rising costs, for



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victims to make that move, so it is really pleasing that TSB have introduced this flee fund for their customers and a fund for their staff. Could you give us any details about the outcomes for people who have accessed the flee fund?

**Kate Osiadacz:** Yes, certainly. We introduced the flee fund a little over a year ago. Since then, 220 or thereabouts—that was the figure two days ago—have accessed the fund. On average, they take on about £300. The fund allows up to £500, and it is specifically designed to provide money for things that are an emergency. What we see is that around 70% of the money our customers receive through the fund is spent on travel, so to escape, as well as accommodation, clothing and food, so the absolute basics and necessities.

There was an interesting point raised earlier around this concern about fraud. We have declined a small number of individuals who have applied to the fund, not for fraud reasons but entirely for where they are in their journey—as I said, our fund is designed for this emergency period. So we are really confident the fund is having great outcomes.

The other thing it does is operate as a doorway to other support we can offer to our customers. So in terms of escaping, it is about making sure that you then have a safe account and a safe address and that you are signposted to the appropriate services that can help you on the next step of your journey, and maybe referring into that tailored support team if debt is also part of the picture. Two thirds of the people who have used our flee fund have also gone on to use our safe spaces, which is the signposting to specialist support teams.

Q130 **Kate Osborne:** Can you tell us anything about the staff fund?

**Kate Osiadacz:** The staff fund works in exactly the same way but, to date, we have not had a colleague claim on our fund. Again, wrapped around the fund is a whole raft of support—everything from paid time off to adjusting places of work and hours of work and support from a domestic abuse advocate. So we offer a full package of support to our colleagues.

Q131 **Kate Osborne:** It is interesting that nobody has accessed it. Why do you think that is?

**Kate Osiadacz:** I really do not know. We introduced it in the summer. It is definitely publicised.

Q132 **Kate Osborne:** I will come back to you, Kate, but I want to ask, Nicola, what other measures you think businesses could put in place to help staff who experience domestic violence to flee their abusers and rebuild their lives.

**Dr Sharp-Jeffs:** A call that we all agree with is paid statutory leave for victim-survivors of domestic abuse. Farah and Kate talked about the things victim-survivors need to do to normalise things and get them back



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on an even keel for themselves and for their children. That might be a criminal prosecution or going through the family courts and so on. Employers can play such an important role. Again, we saw employers really recognising what they could do during covid. There was a real awareness of employees experiencing domestic abuse, including economic abuse.

For example, we worked really closely with the law firm Linklaters. Not only did they give paid leave, but they also gave a grant to their employees who were experiencing domestic abuse which did not have to be paid back. Similarly, they provided hotel accommodation and temporary accommodation. They linked victims and survivors into specialist support, and provided legal support as and when required. That is a fantastic package that victims and survivors who are working in the private sector might be lucky enough to experience, but that support needs to be available to all victims and survivors. It should not matter where you bank in terms of the response you get as a customer, and it should not matter where you work in terms of what your employer does for you. It really feels as if there are some groups that are stepping in where the Government should be acting.

To that point about the third sector, it was fantastic. We are a second-tier organisation, but a number of our funders came to us during the cost of living crisis and said, "We would like to give you an uplift to your funding because we recognise the difficulties that victims and survivors will be experiencing right now, and we want to be able to support you to support them." In addition to things like the TSB flee fund and the Government's new fund, NatWest last week invested another £1 million through their partnership with SafeLives towards the Circle Fund, which provides grants for victims and survivors. The national lottery came to us, as one of our funders, and said it would like to provide money for an economic safety, resilience and recovery fund for victims and survivors. These are small amounts of money.

To take a recent example, a victim-survivor had been attacked in her downstairs toilet. There was a cracked toilet seat, and every time she went in it reminded her of the abuse. That fund provided £6 so she could replace the toilet seat. That gave her back her dignity. These things make a huge difference. We are seeing third sector people coming in and providing support that all victims and survivors should be able to expect and that should be a minimum safety net for victims and survivors.

The joy of these particular funds—TSB, the Circle Fund, the National Lottery Community Fund—is that they are available to all victims and survivors, but we see through public agencies that women with no recourse to public funds cannot access this money. We recently did some research which showed that victims and survivors from black and minoritised backgrounds are twice as likely to experience economic abuse, compared to white victims. We also did some research recently which, sadly, has shown racism within banking responses to victims and



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survivors from black and minoritised backgrounds. As Farah said, there is so much to do in this space, and we really need to recognise the need for consistency. Regardless of where you live, where you work or your identity, all victims and survivors should be supported in this way.

**Q133 Kate Osborne:** Thanks very much. Kate, is there anything else TSB or others could be doing?

**Kate Osiadacz:** As Nic has just said, there is lots more to be done. At TSB we started very much with offering safe spaces. We developed that into our flee fund. It is about what is next. For us, the area around consistent treatment of coerced debt is a key area to focus on as a business because, as we have described, it is the barrier to survivors being able to go on and thrive.

**Q134 Kate Osborne:** Farah, from today women can apply to the Government for a flee fund payment. This was piloted last year, but the demand was so overwhelming that the fund was depleted within five days. Will this latest round of Government funding be enough?

**Farah Nazeer:** Will it be enough? Probably not, given the number of people experiencing domestic abuse, and the coercive control and abuse that go with it. But it is a really positive intervention, and I think it will make a huge difference to thousands of survivors of domestic abuse who would not be able to leave an abusive relationship, or would not be able to stay fled without this sort of financial intervention.

We piloted the scheme last year with Home Office funding of £300,000. We disbursed it to 600 survivors within five days, and the vast majority of them—84%—used it to leave a relationship that was abusive or to stay fled from that abusive relationship. It was often combined with the programmes we run—Road to Refuge and Rail to Refuge—which provide free transportation for victim-survivors. People were using this fund for a vast array of goods, but they were absolutely the basics. It was food for children. Just think of people having to choose between starvation and safety. It was basic bits of clothing. It was about the ability to leave quietly without packing a suitcase, with just the basics that you need.

Particularly given the five weeks, if you are lucky, that it takes for DWP welfare benefits to kick in, these funds went a long way to being able to bridge that gap. It was not nearly enough, given that you are only able to access £500, but it made a difference to women, children and survivors at large. People described it as seeing a break in the clouds.

The interesting thing about that fund is that, because of the rapidity with which it was used, we were able to deploy the resources we were planning to deploy and to evaluate really thoroughly every single one of those 600 cases. The funds all went to survivors, and they all achieved really positive results for those individuals. The question remains as to why this fund is necessary, and why the other systems are not in place. There is probably always a need for this kind of fund for emergency use,



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where charities and services can perhaps be more agile than state actors can be, but it needs to be an enhancement, not a sticking plaster. However, it is a really welcome fund.

Q135 **Kate Osborne:** When I ask, “Is it enough?” I suppose I am referring to the overall funding, but also to the £500—it is up to £500, isn’t it?

**Farah Nazeer:** Yes, absolutely. It is up to £500, but this new fund also has a future fund element to it of up to £2,500, which will enable survivors to put a deposit on a flat or a house, enable them to feel secure through CCTV and so on and enable relocation. So it gives them the start they need. But how many times will that go into 2 million? Probably not nearly enough, given the scale of the problem we have.

Q136 **Kate Osborne:** How do you ensure that that funding gets to those who need it most?

**Farah Nazeer:** The fund is delivered via specialist domestic abuse services. These are organisations that are, in part, our membership but, in part, organisations that are on our database of domestic abuse providers. This is what they do. They work with domestic abuse survivors. They will speak to that survivor and ensure they are satisfied that they are experiencing domestic abuse, that they are seeking to leave, that they need support to stay fled or that they just need support to be safer than they would otherwise be. They are very experienced in understanding survivors and being able to work out what is a real case and what is not.

Frankly, you are very unlikely to go to a specialist domestic abuse agency, talk to them and be engaged with them if you are not experiencing domestic abuse. That is what ensures that the funds not only go to survivors of domestic abuse, but get to them in the way survivors need them to get to them. It could be vouchers, it could be a bank transfer, it could be cash or it could be a combination of those things, and they receive it where they need to receive it, how they need to receive it, and at the point they need to receive it. So, the impact is doubled, if you like, because the survivor is getting it in a way that works for them.

Q137 **Kirsten Oswald:** The only other thing I really want to ask about is whether anyone has any particular concerns in terms of Government services and how those services do or do not effectively interact with the needs of survivors. We may already have covered all that, and I think everybody is happy, so back to you, Chair.

**Farah Nazeer:** If I may, one of the issues people have talked about is around dignity and mental health. If your mental health is compromised—invariably your mental health is compromised if you have experienced domestic abuse for a period of time—it takes courage and space to be able to think about going to a bank, to be able to think about declaring it and to be able to think about going to a domestic abuse service. Currently, we do not have the systems in place to support the



mental health of survivors. Those community-based services that exist to act as that first intervention, if you like—that first sense-checking point—are under severe duress and, as I said, with the current funding equation, are likely to be cut. So if you do not have enough mental health in place, and if you are not resilient enough to be able to engage with state systems, or even positive private sector initiatives, it becomes even harder. There have been some moves within NHS frameworks to recognise domestic abuse as a health issue and a mental health issue, but we have not yet necessarily seen that implemented on the ground or any sort of meaningful funding realised within that context.

**Q138 Chair:** Thank you. Can I just go back to the CMS question? In response to my question about the banking system being used to send abusive messages, do we know whether the Child Maintenance Service has an effective mechanism in place to stop abusive messages being sent?

**Farah Nazeer:** No. There are some attempts being made via the Collect and Pay system but, from our conversations with survivors, there is a long way to go before the system actually protects survivors and their children. So the answer is no.

**Chair:** Thank you very much. Can I thank all the witnesses for their evidence this afternoon? If there is anything you would like to add at any point, please do not hesitate to do so. We might have asked for a couple of stats. It would be great to get them from you in writing, please. I am going to suspend the meeting while we swap to our second panel.

## Examination of witnesses

Witnesses: Mary Macleod, Charles Cotton and Nikki Pound.

**Chair:** Welcome to our second panel of witnesses in this afternoon's Women and Equalities Select Committee inquiry into the impact of cost of living on women. Can I thank Nikki Pound, the women's policy officer at the TUC, Mary Macleod, chief executive of Business in the Community, and Charles Cotton, senior adviser at the Chartered Institute of Personnel and Development?

As usual, members of the Committee will ask questions of you in turn. If at any time you wish to come in on a question that you have not specifically been asked, please indicate, and I will bring you in. We will start with Kate Osborne, please.

**Q139 Kate Osborne:** Thank you very much. Good afternoon, everybody. This question is to you all. Our Committee heard evidence that women are the "shock absorbers of poverty" and usually have the main responsibility for the purchase and preparation of food for their children and families, and also for the management of budgets in poor households. In my constituency, I frequently hear from working women who just cannot cope: they are struggling with the cost of living crisis and with the additional burdens on them as women. Often, they have taken up a



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second job and are visiting food banks to try to cope. My question for you all is, how are working women responding to the cost of living pressures, compared with men? I will start with you, Charles.

**Charles Cotton:** Thank you very much for inviting me. In our original submission, we did some research looking at employees and how financially resilient they were. This was back in January 2022, and we repeated it in January 2023. We found that both men and women had been impacted by the increase in inflation, but women started off at a lower financial resilience point, so they were severely affected.

For instance, when we asked workers if their pay was sufficient to support an acceptable standard of living without having to go into debt to pay for food, we found that, among women, the number who said they had enough money to cope had fallen from 71% to 56%, but among men it had fallen from 80% to 64%. You can see it had fallen quite significantly for women.

We also asked, "Are you able to keep up with all your bills and credit card commitments without any difficulties?" In 2022, 65% of male workers and 56% of female workers said that that was the case, but in 2023 those proportions had again fallen, to 53% for men and to 42% for women.

Finally, we asked, "How would you be able to cope with a sudden unexpected emergency that would cost about £300?" About 58% of men said they would be able to cope with that scenario, compared to 71% back in 2022, but the number had fallen from 54% to 40% for women. So you can see the impacts, and hopefully later in the discussion I will be able to talk about how organisations are responding and helping to support their employees.

**Mary Macleod:** Good afternoon and thank you for the invite. Initially, I must say that, together with other parliamentarians, I helped conceive this Committee in 2014, so thank you all for doing an amazing job of giving birth to it and doing such incredible and important work.

On the cost of living, we have seen so many really difficult examples and challenging situations over the pandemic and beyond. In Business in the Community, we work with businesses right across the country, in every region and nation, to look at what they can do to help take them into the community, and we show them just what exists out there. Of course, every employer has employees that are part of those communities and therefore needs support and help.

We set up a cost of living taskforce to focus business leaders on this and to see what more they can do by asking questions within their organisations about the challenges that people, especially women, were having. In our conversations, we found that the cost of living crisis is in essence shining a light on those pre-existing economic imbalances. There has been a disparity in pay for women, compared to men, so women



have to take the brunt of these economic shocks. Naturally, closing gender and ethnicity pay gaps will be a great way to make a difference in that.

Women have had to turn to organisations for support, and many of those have been very proactive in what they have been doing to put things in place to support women in the workplace. Of course, some women, as you rightly said, have had to take on additional jobs, but in our research we also found that 10.5% of women are in low-paid jobs, compared to 70.2% of men. That is absolutely going to have an effect, which is why it is really important to have a London living wage and real living wage, so that people can survive when there's a cost of living crisis.

There is also evidence on mental health. Our research found that 13% of people said they would need to rely on food banks or community groups over winter time, but also that 65% of women were worried about paying the bills and 55% felt they were suffering from poor mental health related to the cost of living crisis.

So the impact is really far-reaching, and organisations have had to think quite innovatively about how they can support and help, and many have.

**Nikki Pound:** Thank you for inviting me as well. Building on what others have said, in our submission we talked a lot about the structural barriers that women face, which is why they are the shock absorbers of poverty. The gender pay gap and the fact that women are more likely to be in insecure, low-paid work and often have to reduce hours to manage caring responsibilities mean that they are more likely to be exposed to economic shocks. Again, if you are a BME woman or a disabled woman, that compounds it.

In our submission, we talked a lot about general poverty figures and the rise in poverty. We know that relative poverty has increased to 14.4 million people, or 22% of the population, and the majority of those in poverty—54%—are in working households. We know that child poverty is at its highest level, and again it is going to be women, who are often the primary caregivers, who are more significantly impacted and who go without.

One of our affiliates, USDAW, the shop workers union—they represent members working in retail and warehousing, but the majority of their members are women—does an annual cost of living survey, which they first started in 2021, and their most recent survey, for 2023, was published between us making our submission and today. In 2021, 7% of their members reported that they had struggled to pay gas and electricity bills every month. When they did the research for 2023, they found that that had risen to 25%, with nearly a third of respondents saying they struggle every month to pay those bills and 70% saying they have struggled to pay these bills at some point in the last 12 months. So it is becoming a very regular thing for people to be struggling with being able to meet basic needs and pay basic bills.



I want to build on what Mary said about the real living wage. We know that women are more likely to earn less than the real living wage, in comparison to men. We know that part-time workers, in particular, are the most likely to be low paid—about 26% of people working part time earn less than the real living wage—but women are three times more likely to be working part time, so they are more likely to be affected. That means not only that they are low paid, but that they are also potentially missing out on statutory entitlements such as sick pay—70% of people that miss out on statutory sick pay are women—and things like auto-enrolment into pensions.

In terms of what we hear from affiliates—again, these are members' voices that have been fed into our research—a lot of workers say that their employers are now having to fill the fridges in the staffroom to make sure their staff are having a meal. We represent a lot of public sector workers who are on the frontline of much of the industrial action that has happened over the last couple of years in the NHS and among teachers. In sectors like the NHS and education, three quarters of the workforce are women, so we know they are deeply affected both in terms of pay but also the services they are delivering. We also have a lot of teachers who tell us that they have to bring food and clothing in for their pupils and that they themselves are also using food banks and struggling to meet their own costs of living.

In our evidence, we reiterated that, in the year to April 2023, the Trussell Trust network distributed 3 million food parcels, which is the most they have distributed in a single year, a rise of 37% on the previous year. While women account for about 51% of the population, they represent 57% of those experiencing food insecurity.

Single adults living with children are more likely to experience food insecurity, and we know that most single-parent families are led by women. Again, we can see the real impacts of people really struggling to meet the day-to-day basic needs of their families because they are not paid enough or are in insecure work.

**Q140 Kate Osborne:** Thank you for that. What a damning indictment of this country and our Government that nurses, firefighters, teachers and so on have to access food banks. To pick up on particular sectors, retail, hospitality and leisure were particularly disadvantaged during the coronavirus pandemic. What is the cumulative effect of the pandemic and the rise in the cost of living on women in those and similar sectors?

**Nikki Pound:** As I have just said, USDAW, which particularly represents workers in those sectors, is doing a cost of living survey that reiterates the compounding effects. If you will permit me to go back to some of our data from 2021, during the pandemic we experienced the biggest job losses in sectors like accommodation, food and retail. Again, those sectors are more likely to have women working in them, so during this time we saw women more affected in terms of job loss and reduced hours. That intersects with a lot of other protected characteristics. We



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know that accommodation, food and hospitality, the creative industries and retail were the industries that experienced the highest job losses, but they are also the industries that have the highest percentage of young workers, and those are more likely to be young women. We know that those sectors are also more likely to have the highest number of BME workers, and BME women are disproportionately affected.

When we did some analysis of the pandemic impact around May 2021, we found that, in general, women accounted for 60% of job losses in accommodation and food—what we call hospitality—and 58% of job losses in wholesale and retail. In terms of the present day, some data was released just a couple of weeks ago showing that retail sales in December had slumped by 3.2%. That is the worst monthly fall, outside of the pandemic, since the eve of the financial crash. So there is a compounding of those problems for that sector.

Just yesterday, data from the Insolvency Service showed that 2023 was a worse year for insolvencies than during the financial crisis, and the worst since 1993. Businesses are closing, and that obviously has an impact on jobs in those sectors. The other impact is that where businesses are not closing, we see a rise in things like insecure work and short-hour contracts.

Again, to refer to the USDAW survey that has come out since we submitted our written evidence, they found that women remain over twice as likely to be contracted to less than 16 hours a week, with 14% of women working short-hour contracts—that could be four or eight hours—compared to just 6% of men. Again, the proportion of BME and disabled women on short-hour contracts has risen from the previous survey. For BME women, the figure is 20%, up from 18% in the previous year, and for disabled women it is 24%, up from 21% in 2022. So we are seeing a real compounding of lower pay, with pay stagnating, and also women losing hours.

I should have mentioned in my first answer that the cost of childcare also has an impact on women. They are unable to access childcare, which means they drop out of the labour market. Women are seven times more likely to be out of the workforce due to caring responsibilities.

Q141 **Chair:** Can I just interject? Apologies. Wind-ups are about to start in the debate in the Chamber. Can I ask that responses be kept a lot briefer, please?

**Nikki Pound:** Sorry. I have a lot of information.

**Chair:** We will try to get through as much as possible so that, potentially, we do not have to come back after the votes. Otherwise, we will be hanging around for a while.

Q142 **Kate Osborne:** Thanks very much, Nikki. I was going to ask you whether there had been an increase in women taking on second jobs, or jobs with



lower pay and insecure working arrangements, but I think you have pretty much covered that.

Can I ask you all another question, perhaps starting with you, Charles? I am seeing an increase in constituents getting in touch because they are concerned about their long-term finances—women in their 50s or 60s who have been, and will be, impacted by pension changes, and specifically those who are unable to pay into a pension at all. To what extent are female employees concerned about their long-term financial wellbeing and planning for retirement?

**Charles Cotton:** In the same research, we found that, in 2022, 38% of women thought they were earning enough to be able to contribute to a pension scheme and to afford to retire. By 2023, that figure had fallen to just 23%—just 23% of women thought they would be able to have a decent pension when they came to retire. So the cost of living has obviously had an impact.

More widely, as an organisation, we would like to see more focus on pensions in things like job adverts. We would like to see organisations talking not just about the pay on offer but also about pension arrangements, so that when people are comparing different job offers, they have a better idea which one provides a better pension scheme.

**Mary Macleod:** There has long been a discrepancy between men and women in terms of pension provision. Given the time constraints, I will not go into the details—you know them all—but the cost of living will have a negative effect and make things worse. There is definitely a lot of work that needs to be done to make sure that women have the pension provision they need throughout their careers and that it is flexible enough to take account of any career or other breaks because, long term, this issue has a real, detrimental effect on women.

Q143 **Kate Osborne:** Are you aware of any women completely opting out of pension schemes because they cannot afford to pay into them?

**Mary Macleod:** I do not have data on it.

**Charles Cotton:** Yes, we have data on it. There has been an increase in people opting out of a pension scheme because of cost of living crisis issues.

**Mary Macleod:** They certainly will not be putting in any additional payments either.

Q144 **Carolyn Harris:** How helpful or supportive are businesses being to employees who are really struggling with the cost of living?

**Mary Macleod:** I can start there. Businesses have felt this quite keenly. I think that that is because they are trying to listen to their employees' concerns. Certainly, businesses we have worked with have given us a range of examples of the interventions they have had to put in place,



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some proactively, and some because staff have come to them saying, "We need help." Marks & Spencer put in a £15 million investment to support frontline employees, increasing the base pay for hourly paid employees, and those salaried at pre-management level get a one-off voucher. At PwC, over half of staff received a 9% pay increase. Tesco employees working in distribution centres were given a 9.5% pay increase. At John Lewis, free food was available for a period of time to all workers, including temporary Christmas staff. In other organisations, staff could apply for a one-off advance on bonuses or pay. So emergency funds were put in place at the time.

During the initial pandemic period and immediately after the start of cost of living challenges, these things were very much paramount. We are encouraging businesses to keep engaging with their staff to find out what is still needed, so that they can continue these schemes and make sure people are supported.

**Q145 Carolyn Harris:** That is brilliant, but these were all quite big firms, who would have the capacity to be able to do that. What about smaller firms, which may themselves be struggling to keep their heads above water? How proactive are they in helping their staff?

**Mary Macleod:** I think they want to do what they can, but they can do much less, and that is the sad thing about it. They have not been able to do the pay increases or to give the one-off payments. They will be doing what they can, but their supply chains will be suffering and they will be suffering as organisations. Therefore, it is much more complex and difficult for them.

**Q146 Carolyn Harris:** In my constituency, a firm called LCV gave all their staff a cost of living bonus at the end of last year, which I know was very welcome.

Retail is probably going to do a lot better, but what about the hospitality industry? What you will find there is that, if people do not have the money to pay their bills, they will not have the money to go out and have a meal or a drink, so those businesses are really going to struggle. What is the environment like there, Nikki? How are the staff managing currently?

**Nikki Pound:** We see a significant growth in insecure work and particularly the use of zero-hours and short-hour contracts. Obviously, it creates a lot of uncertainty if you do not know how much you are going to earn from week to week, so it makes it really hard to budget. In particular, for women with caring responsibilities, how do you turn down hours if you know you really cannot do them? Equally, you cannot turn down hours, because you really need them. It is a vicious cycle of low pay and insecure work, which keeps reinforcing itself.

In our submission, we wanted to focus on structural issues. It is great that businesses are able to give additional support like bonuses or to help and support staff through measures like vouchers but, fundamentally, if



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businesses are saying they cannot afford to pay their staff a living wage, then the problem needs much more than a sticking plaster or an emergency measure. Again, that is where we see women and other minoritised groups at the sharp end of the crisis.

**Q147 Carolyn Harris:** You do not have to be a brain surgeon to walk around the supermarket and notice the cost of food. I am always amazed how much it seems to go up every week. I can afford to pay that, but there are very many people who cannot, unfortunately. In my experience, once things go up, they very rarely come down. With the cost of living crisis, will this become the norm in the future? We will not always be able to put on these sticking plasters. What can industry and business do to make sure that women, especially, are paid adequate money in the future so they are not constantly struggling to pay their bills or to put food on the table and are not having to go through that emotional juggling? There must be a way or a plan, I suppose, to make sure that women are protected in the future.

**Mary Macleod:** A lot of businesses really want to support their employees and to ensure that they are not going hungry at night and can put the heating on in the winter time. In terms of looking at where their pay rates are linked with inflation and the cost of living, that is something they will take account of over a longer-term period.

As you rightly say, there are challenges between large and smaller businesses in that, because these things depend on the work and the supply and demand that you have for your goods and services. In terms of supporting policies, pay is important, but things like flexible working and childcare, which has already been mentioned, are also an important part of the package.

**Carolyn Harris:** And parent care for the elderly.

**Mary Macleod:** Yes. We have talked quite a bit about general caring, which is important, because it is not just about childcare. So many people have caring responsibilities. How are we supporting them in the workplace to make sure they have the flexibility to do that care work?

**Charles Cotton:** I think there are two issues: one is around the cost of living crisis, which is an immediate problem for most; the other is in-work poverty, which is a more systemic, longer-term issue. If you want to tackle in-work poverty, it is going to be more around how you increase pay and how you make it fair, looking at financial benefits, flexible working and all those types of arrangements. That means you need to look at how organisations tackle things like raising productivity so they can afford to pay people more.

The cost of living crisis is an immediate problem. What can we do? It could be things like giving people, as mentioned, bonuses to cope with the financial issue, or just getting people to talk more openly about the financial problems they are facing. Earlier, you talked about domestic



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abuse, and there is of course a stigma around that. We recently produced a guide with the HRC looking at how employers can support employees who are suffering from domestic abuse. It is about supporting victims but, just as importantly, it is also about making sure that employees who are perpetrators of abuse know they are going to be dealt with by the organisation if they are found to be abusing their partners.

**Mary Macleod:** The other thing we are trying to do is share best practice across industry sectors. Business in the Community runs the *Times* top 50 gender equality awards, so we do lots of deep assessment into organisations and what they are doing to support women in the workplace. Part of that has been to assess what they have been doing on the cost of living, and sharing that.

Q148 **Carolyn Harris:** And menopause, I hope.

**Mary Macleod:** Absolutely.

**Carolyn Harris:** Thank you.

Q149 **Chair:** I am firmly of the view that we are going to have a Division at bang on 4 o'clock, which, as far as I can work out, is sub 60 seconds away. I have a whole section on the Government's new offer of 30 hours' free childcare from the age of nine months to improve women's participation in the labour market. Are you all content that we follow up with those questions in writing? I am very conscious that this is now a truncated session, and I do not want you to get halfway through an answer, but I might just ask a quick question about flexible working. Does any of you perceive whether there could be any mechanisms in the tax system to make flexible working or job sharing easier and more attractive to both employer and employees alike? I might start with you, Mary, please.

**Mary Macleod:** From all the data and analysis we have done in our research, flexible working is incredibly important and comes up as one of the top criteria for keeping women in work and also encouraging them back into the workplace. So having a culture and organisation that promotes flexible working is massively important. We have done less work on job share, but certainly flexible working is important.

Parliamentarians and Government can raise awareness of what is available. We found that men were more comfortable in asking for flexible working, but one in three women have given up work due to a lack of flexibility, so there is a huge gap in talent in the workplace. The more we talk about what flexible working is available, and the more that employees feel that they can easily ask for flexible working—or that it does not even need to be asked for; it is just there and very easy to get—the better the outcomes.

Q150 **Chair:** Nikki, has the TUC done anything on this?



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**Nikki Pound:** I can definitely take away the question specifically about the tax aspect. In terms of flexible working, the new legislation that is coming in is a step forward, but one thing we would really like to see is a “right to” rather than a “right to request”, because we know that one in three requests gets turned down. We would also like to see an advertising duty, so employers have to look at what flexibility they can offer—flexibility is not just home working; it can be a range of things, which could include job shares. If employers looked at that and advertised a position as flexible from the start, that is, as you say, going to create a situation where flexible working is more normalised and there is no pressure on women, in particular, or on anyone who needs flexible working, to feel they have to ask for it, because they know it is already on the table. *[Interruption.]*

**Chair:** I knew the Division bell was going to ring. Charles, if you want to add any comments on job sharing, flexible working or what more the Government could do, please could you do so in writing? I am sorry. Mary will be well used to this—it happens in this place. I will have to bring the Committee to a close.