

## **Written evidence submitted by Money and Mental Health (COR0166)**

### Introduction

The Money and Mental Health Policy Institute is a research charity, established in 2016 by Martin Lewis to break the link between financial difficulty and mental health problems. The Institute's research and policy work is informed by our Research Community, a group of 5,000 people with lived experience of mental health problems or of caring for someone who does. This written submission has been informed by this powerful, lived experience testimony, as well as our wider body of research. Unless otherwise specified, all quotes and statistics in this response are drawn directly from a survey of 356 Research Community members, conducted 10 April - 7 May, specifically exploring online harms and their impact on people's finances.

### Background

- In any given year, one in four people will experience a mental health problem.<sup>1</sup> The coronavirus crisis is exacerbating these difficulties, putting pressure on the nation's mental health and isolating many from support networks and services that they rely on to stay well.<sup>2</sup>
- Common symptoms of mental health problems, like increased impulsivity, low motivation, unreliable memory and difficulties concentrating can make managing money significantly harder.<sup>3</sup> These same symptoms condition the way that people navigate and engage with digital services and spaces.
- People with mental health problems are also more likely to be living on low incomes or in insecure work,<sup>4</sup> which can mean they have less savings to fall back on when their income falls.
- People with mental health problems are three and a half times more likely to be in problem debt than those without, and half (46%) of adults in problem debt also have a mental health problem.<sup>5</sup>
- Mental health and financial problems can form a devastating cycle. Over 420,000 people in problem debt consider taking their own life in England each year, and more than 100,000 people in debt actually attempt suicide.<sup>6</sup>
- Money and Mental Health is starting a new programme of work looking at people with mental health problems' experience of online harms

### Evidence submission

1. We welcome the Committee's call for evidence on online harms related to the coronavirus pandemic and lockdown. It is likely that the coronavirus crisis has led to an increase in certain online harms, as we

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<sup>1</sup> McManus S et al. Adult psychiatric morbidity in England, 2007. Results of a household survey. NHS Information Centre for Health and Social Care. 2009.

<sup>2</sup> D'Arcy C. Money and mental health at a time of crisis. Money and Mental Health Policy Institute. 2020.

<sup>3</sup> Holkar M. Seeing through the fog. Money and Mental Health Policy Institute. 2017.

<sup>4</sup> The Mental Health Taskforce. The Five Year Forward View for Mental Health. 2016.

<sup>5</sup> Holkar M. Debt and mental health: A statistical update. Money and Mental Health Policy Institute. 2019.

<sup>6</sup> Bond N and Holkar M. A silent killer. Money and Mental Health Policy Institute. 2018.

have become more reliant on the internet. Simultaneously, pressures on our mental and financial health leave many of us more vulnerable to such harms.

2. While the government's Online Harms proposals consider a number of important areas, we believe that financial harm is a key aspect that has not yet received sufficient focus. Before coronavirus, people with mental health problems were vulnerable to a range of financial harms arising specifically from online spaces, such as difficulties managing online borrowing and spending, and scams. Our recent research suggests these pre-existing concerns are becoming more pressing as people spend more time online and the pandemic affects people's financial and mental health. Financial harms were not mentioned in the government's Online Harms White Paper and were only briefly referenced in the government's initial consultation response, so we urge the Committee to call on the government to focus more on financial online harms.

3. This evidence submission will set out recent evidence of how people with mental health problems' online lives have been affected by coronavirus, and will detail several key areas of online financial harm.

4. The connection between mental health, online spaces and financial harm is now more relevant than ever. The pandemic has taken its toll on the nation's mental health with many finding it difficult to access support networks or services that they depend on.<sup>7</sup> Our financial health has also been affected: many people have lost jobs, seen their incomes fall or are uncertain about their future prospects.<sup>8</sup> And lockdown has meant that people are becoming more reliant on the internet than ever, with some accessing services like banking or grocery shopping online for the first time. This combination of increased vulnerability and exposure is likely to exacerbate several common online financial harms.

5. Research with the Money and Mental Health Research Community has found that almost three-quarters (72%) of respondents are spending more time online, since lockdown began,<sup>9</sup> and two-thirds (64%) felt that they rely on the internet more than usual since coronavirus.<sup>10</sup> While most respondents felt that access to the internet was essential, particularly as a source of information and connection during lockdown, many were concerned about risks to their financial and mental health.

*“Good for social contact but the adverts led me to spend money I can't afford, both on buying things and on donations.”*

*“Everything is more accessible and therefore it's easier to be tempted to buy something you can't afford and you can easily apply for credit that gets you into debt.”*

6. This evidence submission will detail four key areas of financial harm for people with mental health problems, all of which may become more acute as a result of the changes since coronavirus:

- Difficulties controlling online spending
- Online borrowing
- Problem gambling
- Scams

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<sup>7</sup> D'Arcy C. Money and mental health at a time of crisis. Money and Mental Health Policy Institute. 2020.

<sup>8</sup> Ibid.

<sup>9</sup> Money and Mental Health survey of 356 people with lived experience of mental health problems. Base for this question: 247 people.

<sup>10</sup> Money and Mental Health survey of 356 people with lived experience of mental health problems. Base for this question: 246 people.

## **Difficulties controlling online spending**

7. The coronavirus pandemic has highlighted the importance of online retail. Many of us value the range of items available and the convenience of home delivery, and this option is crucial to people who are unable to leave the house.

8. However, online retail has become increasingly frictionless, as retailers offer “one-click” purchases and work to shave seconds off checkout journeys. This can be problematic for people with mental health problems. Common symptoms of mental health problems, like increased impulsivity, memory problems and low mood can make resisting the temptation to shop tricky.<sup>11</sup> A 2016 Money and Mental Health survey of nearly 5,500 people with lived experience of mental health problems found that 93% of respondents spend more when they’re unwell.<sup>12</sup>

*“I spend as a way to forget about my problems... Then, when I start to feel better, I realise what I have done and become depressed again.”<sup>13</sup>*

*“Being able to shop online is bad for my finances as in this pandemic it is a source of ‘treating myself’ to try to reduce my anxiety and stress of feeling very isolated.”*

9. These problems are often most severe for people with bipolar disorder. Impulsive spending is so common among people with bipolar disorder that it forms part of the diagnostic criteria for the condition. During the manic phase of bipolar, people can spend large sums of money in a short period of time, sometimes driven by grandiose ideas or ambitious plans, the financial consequences of which can last for years.

*“Anything I saw that was pink I bought it. I then gave what little money or credit I had left to a start up company I had never seen before because their logo was pink. I don't even like pink. Then after coming down a week later I had literally no money left.”<sup>14</sup>*

10. While difficulties controlling spending are not unique to online retail, the nature of harm is different and the potential scale is far greater online. Physical shops shut, but online shops are always open, however tired, isolated or unwell we are. And as payment details are often saved, people can shop online even if they are unable to get out of bed or remember a PIN.

## **Online borrowing**

11. Many people with mental health problems value their access to credit, using credit products to navigate income shocks and unexpected expenses, or to smooth expenditure over time. This resource is likely to be of great importance at the moment, as households struggle financially as a result of the pandemic. However, the ease and speed of online borrowing can cause problems too. A Money and Mental Health survey of nearly 5,500 people with lived experience of mental health problems found that

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<sup>11</sup> Holkar M. Seeing through the fog: How mental health problems affect financial capability. Money and Mental Health Policy Institute. 2017.

<sup>12</sup> Holkar M and Mackenzie P. Money on your mind. Money and Mental Health Policy Institute. 2016.

<sup>13</sup> Marray N. The shopper stopper. Money and Mental Health Policy Institute. 2017.

<sup>14</sup> Ibid.

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59% of respondents had taken out credit that they wouldn't otherwise have done when unwell.<sup>15</sup> People with mental health problems report particular difficulties if they borrow when their judgment is impaired or when they don't fully understand the terms of a credit agreement.

*"I have got myself into a lot of debt with online loans. [The lenders] agreed too quickly and I take them out, especially when unwell, thinking I can make the payments. I never can and end up in debt collection which is frightening and stressful. These companies can be bullying to make you agree to bigger payments than you can realistically afford so leaving you with no money left to live on."*

12. Two-thirds (65%) of respondents to our recent survey felt that it is too easy to borrow money online.<sup>16</sup> Many described the financial harm this can cause, particularly when combined with difficulties controlling online spending. Previous Money and Mental Health research has found that people have been able to borrow online despite being unable to remember details about the credit,<sup>17</sup> and even able to borrow online during an acute mental health crisis.<sup>18</sup>

*"It was almost like a high that suddenly you had all that money to play with. You buy to try to make yourself feel better."*

13. Keeping up with debt repayments can have a significant impact on people's quality of life, and people who fall behind with repayments often experience particularly poor outcomes. Nationally, people in problem debt - those who have seriously behind on payments for bills or credit agreements in the past year - are three and a half times as likely to also have a mental health problem.<sup>19</sup> There is a strong statistical link between financial difficulty and suicide; more than 100,000 people in problem debt attempt suicide in England each year.<sup>20</sup>

*"Online can make things easier as long as you are well and in control. I.e. if not well you could easily over spend, gamble or increase credit."*

### **Problem gambling**

14. There is some evidence that frequent gamblers may be gambling more since lockdown began.<sup>21</sup> This situation may worsen over time, as isolation and poor mental health are both common drivers of problem gambling. Problem gambling is associated with a wide range of psychological symptoms of mental health conditions such as increased anxiety, low mood and poor coping skills. Mental health problems can also lead to gambling problems, increase the harm caused by such gambling, and make it harder to quit.<sup>22</sup>

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<sup>15</sup> Holkar M and Mackenzie P. Money on your mind. Money and Mental Health Policy Institute. 2016.

<sup>16</sup> Money and Mental Health survey of 356 people with lived experience of mental health problems. Base for this question: 99 people who have borrowed money online.

<sup>17</sup> Holkar M and Mackenzie P. Money on your mind. Money and Mental Health Policy Institute. 2016.

<sup>18</sup> Bond N, Baraverman R and Clarke T. Recovery space. Money and Mental Health Policy Institute. 2018.

<sup>19</sup> Holkar M. Debt and mental health: A statistical update. Money and Mental Health Policy Institute. 2019.

<sup>20</sup> Bond N and Holkar M. A silent killer. Money and Mental Health Policy Institute. 2018.

<sup>21</sup> <https://www.theguardian.com/society/2020/apr/24/growth-in-problem-gambling-amid-coronavirus-lockdown>

<sup>22</sup> Murray N. Knowing the odds. Money and Mental Health Policy Institute. 2017.

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People with severe gambling problems may be diagnosed with gambling disorder, which is a mental health problem in its own right.

15. As with retail and borrowing, people with mental health problems report experiencing harms that are specific to online gambling, and that the potential for harm is greater when gambling online. At any time of day or night, people can access a multitude of gambling websites and a wide variety of ways to gamble. The speed of transacting online, particularly for existing customers, means that people can gamble large amounts without realising the consequences. This is of particular concern for people who become more impulsive during periods of poor mental health, and can be encouraged by features of game design.

*“It’s just too easy to gamble online. Doesn’t feel like real money.”*

*“I am agoraphobic so gambling online is so easy to participate in. I would never be seen in a bookies.”<sup>23</sup>*

16. The pervasive nature of online advertising contributes to this online harm. Whatever you are doing online, gambling is only a few clicks away if you are presented with a gambling advert, and the urge to click can be harder to resist if you are unwell or isolated.

*“There’s just so so many more adverts and offers that people feel they can’t refuse“*

*“Since the government stopped people going out there’s a lot lot more adverts and offers for gambling that could be aimed at vulnerable people that aren’t great with money “*

## **Scams**

17. More than seven in ten Research Community respondents (71%) reported being worried about online scams and rip-offs,<sup>24</sup> and one in six (17%) had lost money to an online scam in the past.<sup>25</sup> Some respondents felt that there was an increased risk of fraud and scams as a result of coronavirus, as people were taking advantage of uncertainty and anxiety around coronavirus to attempt new scams.

*“With increased online activity, we are all now more vulnerable to hacking (especially those who are not internet savvy)”*

*“Scams have significantly increased.”*

*“I am even more anxious at opening some emails as I know there is a lot of people out there scamming. I am worried that in time I will have to use online banking.”*

18. Some respondents described concerns about the security of their personal information and feeling anxious about the level of threat online. Online fraud can cause significant financial harm, and can also affect victims' mental health and self-confidence.

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<sup>23</sup> Ibid.

<sup>24</sup> Money and Mental Health survey of 356 people with lived experience of mental health problems. Base for this question: 247 people.

<sup>25</sup> Ibid. Base for this question: 244 people.

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*“Severely impacted mental health, panic attacks, nightmares and sleep issues, didn't want to use (the) internet again due to fear of being scammed again.”*

*“I had fraudulent activity on my <payment provider> account and they were the better part of useless. The whole episode made me ill.”*

19. Common symptoms of mental health problems can make it harder for people to navigate websites, weigh up information they are presented with and make decisions,<sup>26</sup> all of which can make people more vulnerable to online fraud. Some respondents who had been victims of online fraud directly attributed this to being unwell at the time.

*“My mental health was so bad at the time and I wasn't thinking quick enough.”*

20. Others reported feeling vulnerable to online scams because of a lack of confidence online or when they were in unfamiliar online spaces. Just half (52%) of respondents felt confident dealing with essential services like banks and energy companies online,<sup>27</sup> but many are now required to do so.

*“(I) am forced to do some things online even though I do not feel happy about doing any banking online. It makes me feel incompetent and stupid and terrified of being scammed.”*

## Conclusion

21. We welcome the Committee's call for evidence on online harms related to the coronavirus pandemic and lockdown. Our research shows that people with mental health problems are currently experiencing a range of financial harms in online spaces, and that some of these harms have been exacerbated as a result of coronavirus. Financial harms have not received sufficient focus in the government's Online Harms proposals, so we urge the Committee to call on the government to look at these issues as a priority.

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<sup>26</sup> Holkar M. Seeing through the fog. Money and Mental Health Policy Institute. 2017.

<sup>27</sup> Money and Mental Health survey of 356 people with lived experience of mental health problems. Base for this question: 245 people.