



**NIACRO Response to Working-Age Money Management
Commissioning Plan**

Call for Evidence

9th July 2018



1. Overview

- a) NIACRO is a voluntary organisation that has been working for almost 50 years to reduce crime and its impact on people and communities. Specifically, its contributions have been to:
 - i. Support the resettlement of adults leaving prison and those on community supervision
 - ii. Build skills, confidence and employability of people both in prison and in the community
 - iii. Build the resilience of children, young people, families and adults who are displaying behaviour that would put them at risk of engaging with the criminal justice system, supporting positive lifestyle choices
 - iv. Influence service providers in the statutory, voluntary and community sector and building their capacity to provide appropriate support and bespoke training
 - v. Contribute to public debate and influencing others with regard to criminal justice matters, at the highest level.
- b) At the heart of NIACRO's work is a drive to reduce (re)offending within the understanding that integrated and flexible approaches towards desistance are most effective.

2. Preliminary Comments

- a) NIACRO welcomes the opportunity to comment on Working-Age Money Management Commissioning Plan Call for Evidence.
- b) The NIACRO Families and Money Matters (FAMM) project delivers debt and money management advice to families of people in prison and those on probation. It supports families who are not engaging with mainstream debt advice services and who have a relative who has either recently entered custody or is nearing their release date.
- c) The project also aims to research and evaluate the reasons why people do not engage with mainstream debt support services.

3. Response Questions

Q1. Bearing in mind our proposed segments, from the evidence you hold, which specific groups should we look to target?

- a) Our FAMM service is an early intervention, diagnostic and referral service that works with people affected by the criminal justice system through imprisonment or community sentencing. Our service is specifically targeted at people impacted by the criminal justice system, be they a person in prison or a relative or loved



one in the community who is experiencing difficulties financially supporting them during their sentence. Our service users come from across Northern Ireland, are both male and female, and range in age from teenage years to mid-sixties in age. We find that many people who use our FAMM service have underlying mental health issues.

- b) Data from research conducted by the FAMM team indicates reluctance by people to have sought help in the past for a variety of reasons, such as having been able to manage before entering prison, not being ready to seek help and not knowing who to go to for help. Another factor was the cost attached to seeking debt advice putting people off.

Q2. What does the evidence you hold tell us about the mix of channels or messengers we should use to target each group? For example, might digital approaches work better for certain consumer groups?

- a) Engaging people in custody is carried out on a face-to-face basis. There are restrictions when working in medium and high security prisons about bringing in commonly used devices such as laptops and mobile phones. Our work with service users in the community is a combination of face-to-face, telephony and digital. We also deliver workshops to small groups where we facilitate discussion but permit the group to lead.
- b) Traditionally in Northern Ireland, there is a cultural stigma attached to debt that leads to individuals and families either not seeking any form of debt advice or seeking advice after a significant period when their financial difficulties are at an advanced stage. With this in mind, there is a valid argument for the provision of sufficient and appropriate money and debt advice across digital platforms in particular those third-sector organisations that provide money and debt support and assistance to the 'struggling' segment identified by the Money Advice Service.
- c) Six in ten internet users aged 16-34 considered the smartphone their most important device for internet access.¹ NIACRO believes that there is an increasing importance on the provision of services, in particular debt advice, using digital platforms. With this in mind, it is essential that such platforms can be accessed using tablet and smartphones as well as on a PC or laptop. As younger people are increasingly dependent on smartphone and tablet usage, digital advice and guidance mechanisms for example, web chat facilities, debt checker/budgeting tools etc., must be optimised for use on handheld devices in order to ensure that debt services are available to as many people as possible. This again aims to ensure that those who seek advice digitally are given a high-

¹ OFCOM: The Communications Market Report: Northern Ireland (2016): <https://www.ofcom.org.uk/researchand-data/cmr/cmr16/northern-ireland>



quality service that would be expected when given face-to-face or telephone advice.

Q3. Have you conducted consumer research or do you know of any that has explored social, economic, environmental or policy contexts that may impact financial behaviours among the target groups?

n/a

Q4. Does the evidence you hold suggest that there are specific life events or transitions we should focus on for each target group e.g. linked to government policy, public service delivery or in local commissioning strategies (including the devolved nations)?

- a) NIACRO works specifically with individuals and families affected by the criminal justice system, specifically those remanded and sentenced in prison custody. Our experience working with people who use our service in prison is that, for the majority, they did not have money management/debt problems until they were imprisoned and their source of income was denied. Anecdotally we know that regardless of the source or size of income they were able to service their debt while in the community and never needed to use a debt advice service. The individuals who have engaged with our FAMM service have done so when financial plans start to unravel. This typically happens several weeks after arriving in custody when the loss of income affects repayment plans set up to service debt such as housing costs, hire purchase, credit cards, phone contracts, personal loans and so forth.
- b) Support is needed at the earliest point following arrival in custody but unfortunately, people do not engage until several weeks, sometimes months following committal.
- c) Relationship breakdown (with life partner or family unit), illness (mental & physical) and homelessness are other life events that require attention.

Q5. Our proposed target audiences are living busy lives, balancing work and family commitments. Given this, what evidence do you hold on potential barriers or challenges that might exist in targeting each group? We are interested in both initial and ongoing engagement.

- a) Households in Northern Ireland have an increased risk of financial vulnerability compared to the UK as a whole. This is highlighted in the Money Advice Service UK-wide study into over-indebtedness with 21% of individuals in Northern Ireland being over-indebted – well above the UK-wide average of 16.1% and the highest of all the UK regions.² Financial literacy can explain a significant proportion of

² Money Advice Service, 'A Picture of Over-indebtedness' (2016): <https://www.moneyadviceservice.org.uk/en/corporate/a-picture-of-over-indebtedness>

wealth inequality. Among the key components of financial literacy are numeracy and money management skills.³

- b) Households in Northern Ireland have an increased risk of financial vulnerability compared to the UK as a whole. They are more heavily reliant on social security benefits than in the rest of the UK. Of the constituent countries of the UK, Northern Ireland ranks lowest in terms of income, education and financial literacy. With the introduction of the Welfare Reform Programme and the transition to Universal Credit, life for those with low financial literacy will become more difficult.⁴
- c) NIACRO would welcome the development of educational support and/or a public awareness campaign to assist in improving the financial literacy and numeracy and money management skills for those identified as 'struggling' and 'squeezed', particularly in Northern Ireland where there remains a strong cultural stigma attached to debt and money management.

Q6. Are you aware of any evidence that points to achieving financial capability outcomes as part of other services, interventions or pathways, e.g. holistic wellbeing services; through enhancing self-efficacy or confidence; through improving numeracy or literacy skills; by building digital skills; or through enabling greater inclusion and access to the market for financial services?

- a) Debt is sometimes an outward symptom of other complex issues in a person's life. A person may be homeless, have poor mental health, have addiction issues, be unemployed and may be interfacing with statutory or non-statutory services for support with these. The debt advice provided by the NIACRO FAMM service is provided as part of a multi-agency approach to promoting the successful reintegration of people in custody back into the community. Working with the Northern Ireland Prison Service and the Probation Board for Northern Ireland, the service aims to support people in custody and their families on the outside with debt management and financial capability with the aim of supporting desistance and reducing the risk of re-offending.
- b) The UK Financial Capability Framework's evidence hub contains a bank of research and evidence that demonstrates that improvements in financial capability have far more of a positive impact on people's psychological wellbeing than increases in household income and material wellbeing. Financial capability also increases people's resilience to challenging life events such as divorce and unemployment.⁵ Moving an individual with relatively low levels of financial

³ 'Financial Literacy and Over-Indebtedness in Low-Income Households', Declan French and Donal McKillop: http://www.st-andrews.ac.uk/business/rbf/workingpapers/RBF14_012.pdf

⁴ Ibid.

⁵ Taylor, Mark., Stephen Jenkins and Amanda Sacker (2011) Financial capability, income and psychological wellbeing. Institute for Social & Economic Research Council.



capability to an average level of capability improves their psychological wellbeing by about 6% (compared to an 8% deterioration in wellbeing associated with being divorced, and a 10% deterioration from being unemployed).⁶

3. Conclusion

NIACRO would like to thank the Money Advice Service for providing the opportunity to respond to the Working-Age Money Management Commissioning Plan Call for Evidence.

For further Information please contact:

Katherine McCloskey

Public Affairs and Policy Co-ordinator

NIACRO

Amelia House | 4 Amelia Street | Belfast | BT2 7GS

Tel: 028 9032 0157

Email: Katherine@niacro.co.uk



⁶ University of Essex (2009) Financial capability and wellbeing: Evidence from the BHPS (British Household Panel Survey) Financial Services Authority, p.6.