Debt advice: Evaluating the long-term outcomes

What we've learned from a two-year, longitudinal pilot study encouraging debt advice take-up

Money & Pensions Service

Contents

Acknowledgments

The Money and Pensions Service (MaPS) would like to thank the debt advice service providers and their customers who contributed to this two-year, pilot longitudinal survey, as well as the study's research, design, delivery and evaluation partners.

Participating debt advice providers

Citizens Advice, Debt Free London (formerly Capitalise) and StepChange Debt Charity.

Survey and research partners

The study was created and run by MaPS Debt Advice Innovations Team (previously Money Advice Service), led by Dr Jair Muñoz-Bugarin in collaboration with external research agencies Kantar Public and BMG Research, and Ogilvy Change (a behavioural innovations agency). Supporting research was provided by the Personal Finance Research Centre, University of Bristol, and the Institute for Social and Economic Research (ISER), University of Essex.

Advisory research group and study contributors

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Foreword

Debt can have a debilitating impact on health and wellbeing. Consequently, society as a whole suffers, and yet surprisingly, little is known about the nature of people's complex journeys into and out of debt over time and the causes and consequences of the variation in these journeys.

Back in 2015 the Money Advice Service (MAS), as it then was, had the vision to initiate a programme of research to establish whether a robust, large-scale longitudinal survey studying the understanding of the impact of debt advice in improving outcomes for people, would be possible and what it might look like. A scoping study, published the following year, established that such a survey would be of great value and outlined how it might be designed in such a way that the effect of debt advice could be identified. This led to the design and implementation of a complex pilot study involving three waves of data collection over two years. Completion of the pilot study relied upon the dedication and expertise of professionals from several organisations, including the survey contractors, members of the study advisory group and those from MAS and its successor, the Money and Pensions Service (MaPS). The participants in the survey also played a crucial role in willingly giving their time and providing the data that is of enormous value. I was privileged to be involved as academic consultant.

This report outlines the lessons learnt from this pilot survey. The key conclusion is that a large-scale longitudinal study of debt advice is not only feasible, but urgently needed, to provide the evidence base that will help to inform future policies on debt advice and related services. The financial wellbeing of the population has never in modern times been under as much pressure as it is currently. Taking care of all aspects of the wellbeing of the population is a mark of a civilised society. To serve well the population of the UK, the next step for the research community is therefore to rise to the challenge of identifying ways of enabling this study to take place.

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Executive summary

Personal debt can be crippling, with a wider range of people in difficulty than ever before. It is critical that individuals have access to debt advice when they need it, and that this is as effective as possible. However, nationally and internationally, there is little robust understanding of the impact of debt advice on improving outcomes. To address the knowledge gap and enhance services, ambitious research is required, quantitative in nature and spanning years.

In 2016, when the Money Advice Service (MAS) published a study on the feasibility of running a pilot longitudinal survey on debt advice (PLS), over eight million adults in the UK were 'over-indebted' (see definition below). The most recent figure is 8.5 million in October 2020 (FCA, 2020), with the financial fallout from the COVID-19 pandemic adding further to the number. Over-indebtedness is damaging and debilitating. It is associated with a range of negative factors, including poor mental and physical wellbeing, relationship issues and an increased risk of homelessness. It also has a detrimental effect on society, businesses and the economy (see Research references: 'The Economic Impact of Debt Advice'). A primary aim of MAS, as the body responsible for coordinating the provision of UK debt advice, was to extend quality services across accessible channels. Today as the Money and Pensions Service (MaPS), this goal continues. As part of the 'UK Strategy for Financial Wellbeing', we want to see two million more people seeking debt advice by 2030. Greater understanding of what works best will be key to helping more people out of problem debt.

Our scoping exercise highlighted the lack of longitudinal studies on debt advice and the knowledge gaps when designing a viable approach. To improve understanding before considering a large-scale survey, we designed, implemented and evaluated our PLS. Over a period of more than two years (October 2016–January 2019), we collected three waves of data from a broad sample of over-indebted people. This report gives answers to important questions when running an effective longitudinal study of this nature – including on survey length, waves, sample sizes, recruitment modes and key measures – and summarises our approach. Our methodological results will guide the design of further research on over-indebtedness in terms of recruitment modes, respondent profiles, eligibility and attrition rates, and sample proportions of different debt-related experiences and behaviours. We also share learnings from running our PLS, covering core aspects. While our results are largely as expected from the scoping exercise, and similar to other longitudinal studies, we give recommendations on how each one of these can be further improved, alongside operational pointers. Our PLS also contains a randomised encouragement design where a treatment group is encouraged to seek debt advice, and a control group is not. Comparing the outcomes of those who received against those that did not receive the encouragement (counterfactual group), separates the effect of debt advice from other unobservable characteristics (such as family support, motivation, abilities, etc.). Isolating the change in clients' outcomes attributed to debt advice will help the design of services for people including those who debt advice has a lesser impact (for example households with deficit budgets) and who are reluctant to engage with debt advice.

Our pilot evidence suggests informal help, such as from friends and family, is unable to tackle the root causes of an individual's debt, despite respondents reporting a greater feeling of wellbeing. Descriptive evidence on the role of formal debt advice suggests people who seek such advice tend to be facing the greatest level of financial difficulty, with formal advice likely to mitigate, and possibly counteract, these difficulties. While we gathered a large dataset on debt advice, our findings are starting points for further research. The focus of our PLS was to test the feasibility of a large-scale study and inform its design. On the impact of the encouragement intervention itself, we find that being encouraged to seek help with debt increases the likelihood of people asking for informal help, but not formal debt advice. This is of particular interest for policymakers and service designers to prevent people from taking a less optimal route to solve their debt problem when formal debt advice is available.

Our estimates of eligibility, retention and attrition rates indicate that a large-scale longitudinal study on debt advice outcomes is possible. Our PLS provides comprehensive information to design and run such a survey effectively. Our results also suggest that the use of an encouragement design can help understand the effects of debt advice. The main challenge that remains is how best to encourage participants who are reluctant to seek formal debt advice to ask for this type of help, avoiding barriers such as procrastination, or a tendency to first approach friends and family for help with debt. We recommend a more direct referral approach than that adopted for our encouragement intervention, offering formal advice at the outset when recruiting survey participants.

MaPS is intent on making the best use of resources to support over-indebted people, alleviating individuals from the harmful consequences of problem debt. Given the encouraging PLS results and to enable us to continue as a leading funder of quality debt advice, our next step is to commit to carrying out a large-scale longitudinal study. We will work with the debt advice sector – and the wider range of businesses that benefit from this sector's work – to make this important study happen effectively.

What over-indebted means

The terms 'over-indebted' and 'over-indebtedness' are used throughout this report. Participants in this study were regarded as over-indebted if they reported one or both of the following:

- finding it a heavy burden to keep up with bills and credit commitments; and/or
- falling behind on, or missing any payments for credit commitments or domestic bills in at least three of the last six months.

Objectives and outcome

Evaluating the long-term role of debt advice on people's financial behaviour and capability, levels of indebtedness, mental health and general wellbeing is challenging. Until now, this has rarely been attempted comprehensively.[1] While some research exists, it is limited (see *Scoping study and practical findings*).

Designing a PLS across the UK entails collecting data from a large sample of over-indebted people in survey waves over years. It requires complex technical answers on the size and make-up of the sample needed and what makes for an effective survey approach, where the impact of debt advice can be compared with a control group of similar individuals. It asks practical questions, such as how best to recruit participants at a stressful time in their lives, encourage respondents to seek debt advice and, critically, persuade people to continue taking part in the study. Then, there is the challenge of statistically identifying the effect of debt advice on people with different attitudes to money, understanding variances in impacts by demographic groups and financial circumstances.

Despite the challenges, it is worth seeing if an effective, long-term evaluation of debt advice is possible. Greater understanding of what is and isn't achieved to desired levels, and the interlinks across impacts, will help design the most effective services.

Objectives

1. To scope out a PLS to gain robust quantitative estimates of the impact of debt advice, determining the survey timeframe, method and measures
2. To design the survey and the encouragement intervention, implement them and assess their effectiveness
3. To share methodological results, learnings and recommendations to inform future research, including sample sizes and required resources

Having collected new data, we were also able to evaluate debt advice outcomes on attitude to debt and debt management, and people's financial situation and wider wellbeing.

Our data analysis: an important note

We have used our PLS data primarily to provide evidence on the feasibility and optimum design of a large-scale study. However, we have also carried out analysis relating to both informal help and, to a lesser extent, formal debt advice. Findings are included, with care taken to reduce the effect of endogenous selection bias on the estimates. They should be treated as indicative and as a starting point for further exploration in this vital area, which would benefit from the envisaged main longitudinal survey.

Formal and informal help with debt

Formal debt advice is provided by free or fee-charging debt advice agencies, insolvency practitioners and professionals (such as solicitors, accountants and independent financial advisers). By *informal* help, we mean from friends and family, self-help, support from organisations owed money (such as utility firms, banks and loan providers) and other *informal* sources. Giving debt advice is a regulated activity, so there is no such thing as informal debt advice.

1 At the time of our PLS, Pleasence and Balmer (2007) was the only other quantitative study on debt advice in the UK conducted using a randomised encouragement longitudinal design (via National Debtline). Although attrition rates resulted in the trial being halted at 20 weeks (wave 2), the study provided considerable information to inform our PLS design.

Background

Little is known about the micro-level dynamics of over-indebtedness on financial wellbeing and associated social, health and other outcomes. The same is true for the role of debt advice in shaping long-term outcomes. To improve understanding, and see how advice helps and can be improved, in October 2016 MAS (now MaPS) commissioned a pilot longitudinal survey on debt advice (PLS). This followed recommendations from a comprehensive scoping study conducted earlier that year.

Our PLS ran for just over two years between October 2016 and January 2019. It comprised a recruitment wave (wave 1) and two follow-up interviews (waves 2 and 3). Between waves 1 and 2, half of the participants, (those in our treatment group) were randomly selected and encouraged to seek debt advice. The eligible sample was 2,000 individuals at the outset.[2] The project involved designing the survey, refining the encouragement intervention (key to our study), and implementing the survey. We also carried out a quantitative analysis to evaluate the success of our data collection, as well as the effectiveness of the encouragement in boosting debt advice take-up. The results of analysing the PLS data will be used to inform future research and practices.

This was a highly collaborative project, involving a number of stakeholders, particularly in developing and running the encouragement intervention. At waves 1 and 2, we set up an advisory research group and met with subject matter experts for valuable input on the overall survey and encouragement designs (see *Acknowledgments* earlier).

Summary of project stages

	Dates	Partners	Purpose
Design			
Scoping study	Published Apr 2016	Personal Finance Research Centre, University of Bristol, and survey design guidance from the University of Essex	An expert-led literature review on the feasibility of our PLS, informing recommendations for its methodology.
Survey design & development	To Oct 2016	Kantar Public, with survey design and scientific guidance from the University of Essex	Developing our recruitment questionnaire and sample modes. Setting the survey instruments to test the encouragement. Determining key PLS parameters and valid outcome measures.
Encouragement intervention		Kantar Public and Ogilvy Change	Creating the encouragement intervention (a randomised encouragement design) using best practice and behavioural science techniques.
Implementation			
Wave 1: Recruitment	Oct 2016–Feb 2017	Kantar Public	A large recruitment exercise of over-indebted people in the UK for baseline data collection. Participants were then randomly allocated to either a treatment or control group.
Encouragement intervention	Feb – Apr 2017	Kantar Public, Citizens Advice, Step Change and Debt Free London (formerly Capitalise)	Individuals in the treatment group were encouraged to seek debt advice from formally recognised advice agencies using diverse channels of communication.
Follow-up interviews Wave 2 survey	Sept – Dec 2017	Kantar Public	Re-contacting participants to measure key PLS parameters, including the encouragement intervention. This stage included experiments on incentivising and increasing responses.
Wave 3 survey	Nov 2018 – Jan 2019	BMG Research	Largely, as per wave 2.
Evaluation			
Methodological evaluation	Published Apr 2021	ISER, University of Essex	Examining the methodological implications of our PLS design.
Pilot data evaluation	Published Oct 2021	ISER, University of Essex	Evaluating the effects and outcomes of encouraging debt advice take up over the long term.

2 Giving an eligibility rate of 4.3%. This parameter refers to the proportion of initial sample members who are eligible to take part in the study. The eligibility rate is crucial in determining the size of the initial sample to be screened and estimate the survey's cost. For more on this rate, see Methodological results.

In numbers

1,939
respondents
Making up the initial eligible sample

47,832
interviews conducted
Across all survey waves

2,795
encouragement interactions
Communications sent and calls made to encourage debt advice take up

26
months
Longitudinal survey timeframe

Core components

Our PLS has two main feature:

1. **A longitudinal survey**
2. **A randomised encouragement design**

Both are fundamental to the success of our PLS and maximise the options available for data analysis.

Why we chose a longitudinal survey design

Establishing how, and by how much, debt advice helps people is integral to offering the best types of support.

While there are research designs that are relatively easy to implement and commonly used, many of these cannot identify which changes in outcomes are directly attributable to the intervention alone, and not to other 'confounding' factors in the environment. The complexities for our type of study include:

- comparing the outcomes before and after receiving debt advice. Without a control (counterfactual) group, there is no way to tell whether changes in outcomes are as a result of debt advice, or other factors unconnected to it;
- comparing outcomes between people who seek debt advice and those who don't. The difficulty here is that people self-select into debt advice. The act of seeking advice to help resolve a debt issue is likely to indicate differences in attitude, capability, or circumstances. These are all confounding factors that can be difficult to measure. Our survey design accounts for these factors, attempting to understand the role that the actual debt advice itself has, as separate to the inclination to seek out help.

A longitudinal survey design offers a method to study how people manage their debts, how this influences their lives, and to what extent debt advice is helpful. It identifies a sample of participants and then interviews these participants at different points in time (survey waves). This enables us to repeatedly observe the same survey measures over time for the same respondents, so we can see the changing dynamics and establish causality.

Why we added a randomised encouragement design

Our PLS has an additional feature: an encouragement design where some randomly selected participants are encouraged to seek debt advice, while others are not. This component also attempts to understand the role that the actual debt advice itself had, rather than the inclination to seek out help. However, it is better than the longitudinal component as it makes certain on establishing the control group (counterfactual) to isolate the effects of debt advice and therefore measure the outcomes in its absence.

Longitudinal surveys are, by their nature, complex, particularly if they also include a randomised experiment. Attrition (participants dropping out of the survey over time) is a main concern as it may bias the estimates obtained from the sample. It is important not only to create comparable treatment and control groups, but ensure they **remain comparable** over the survey's timeframe. Our PLS design addresses this key issue, among others.

Key questions and answers

Running a successful PLS depends on several challenges being met.

The major challenges include:

- estimating the key parameters that would determine the sample size for an effective survey and its design;
- establishing the survey's length of time and instruments to measure debt advice outcomes;
- assessing the suitability of our encouragement intervention (randomised encouragement design) as a basis for causal analysis.

Below are the main questions we had for our PLS and the answers we found, including some recommendations from learnings. Throughout the survey, we tested and enhanced our procedures wherever possible.

Is it feasible to run a large-scale longitudinal study on debt advice?

Yes, but not without some challenges. Our survey design results are encouraging. Notably, eligibility, participation and attrition rates make the study feasible. It is also possible to carry out robust analysis of the randomised encouragement design. The remaining challenge is encouraging a significant number of reluctant advice seekers to seek formal debt advice.

What are the best survey timeframes?

Our PLS comprises of two survey waves following recruitment: one wave six months after the encouragement (wave 2) and a second a year later (wave 3). Two years after the last survey, we recommend a further survey (wave 4) to capture long-term effects, such as a relapse into problem debt. We find our sample is highly engaged at wave 3, allowing for this extra, follow-up survey.[3]

From where should we get the sample?

We recommend using an online ad-hoc survey (online panel) over an online omnibus for recruitment. Then, using face-to-face recruitment to boost subgroups under-represented by an online panel.

How large should the sample be for at least three waves?

To provide a sufficiently large sample of people to participate in all three waves, it's necessary to recruit at least 5,000 eligible people at the outset. An initial sample size will depend on two main factors: the effectiveness of the encouragement intervention and the number of outputs being measured. The eligibility rates from our PLS (see next question) will help in estimating a starting sample.

What are the key survey parameters?

For our design, the total eligibility rate is 4.3% and the response rate is 55.8% (wave 2) and 40.5% (wave 3). Being in the treatment group did not increase the probability of participants dropping out, so treatment and control groups can be confidently compared at subsequent waves.

What's the best way to gather data following recruitment?

Through two survey modes: online and face-to-face. We suggest starting with the online survey and, after two weeks, launching the face-to-face survey. It's best to keep the online survey open throughout the process, as face-to-face participants who are unable to respond there and then can be nudged to take part online.

3 At wave 3, 84% respondents completed the survey and 98% of them gave consent to be contacted for a follow-up wave.

How do we encourage reluctant advice seekers to get debt advice?

The encouragement intervention is the key part of the survey design. Our PLS uses a randomised encouragement design (where a randomly selected group of people receive an encouragement to seek debt advice – for details, see PLS design). However, this type of encouragement did not achieve the objective of prompting reluctant advice seekers to get formal debt advice. Instead, participants sought help from informal channels, mainly family and friends.

See our Learnings and recommendations section on ways to enhance the encouragement's effectiveness, including:

- tightening the definition of over-indebted further, using other metrics of being in problem debt and symptoms related to being at risk of debt-related events[4]
- starting the intervention immediately after finishing the recruitment interview or soon after
- directly addressing the tendency for people to seek informal help.

How do we maintain survey engagement across waves from groups of interest?

Our results demonstrate that retention rates do not challenge the feasibility of a large-scale longitudinal study. However, there is an indication that, as financial wellbeing improves, participants are less interested in continuing the survey. To increase response propensity, we suggest a two-fold approach:

- including a personalised message to participants, so that they are aware of the importance of sharing their own experiences (whether or not their finances improved), and how their participation will help (in our case, to improve service design to better help others);
- modifying monetary incentives, for example making small increases to encourage participation in follow-up waves.[5]

An alternative approach: using an established longitudinal survey

Another approach is to consider running a study with an established longitudinal survey, such as from the Understanding Society or alongside the Wealth and Assets Survey. Compared to collecting a specific study's data, this option has advantages and disadvantages. The sample of an established survey is likely to be more representative than the sample of a survey, such as our PLS. Additionally, using established studies means new flows of participants into and out of debt over time can be observed, not only the subsequent trajectories of people classified as over-indebted at a certain point. However, there are major disadvantages of using an established longitudinal survey: adding a randomised encouragement to existing panels is unlikely to be acceptable to the panel owners as it risks contaminating the data collection. Therefore, by excluding the randomised encouragement, it becomes difficult to determine whether differences in the outcomes of those who seek and do not seek debt advice are due to unobservable characteristics (such as motivation to deal with debt problems, family support, etc.). Finally, established longitudinal surveys will have fewer people in the sample who have sought advice, so will be more difficult to capture meaningful effects of receiving advice.

To summarise, there are pro and cons of each approach. Using an established survey is likely to give a more accurate description of the use of debt advice, but any analysis of the causal effect of seeking debt advice will necessarily rest on the sample of people that sought advice is large enough and on strong assumptions. Newly collected data from a PLS, with a randomised encouragement, provide the method that can best identify the causal effect of seeking debt advice without relying on strong – often unrealistic – assumptions. However, for these advantages to be fully realised, one should make sure that the sample is sufficiently large and representative, and the intervention is effective in making people seek debt advice.

4 In March 2022 MaPS published a new measure for "Need of Debt Advice". This measure uses multiple behavioural indicators of financial distress producing a smaller cohort of people than the "Over-Indebtedness" measure used in the PLS. For more details see https://moneyandpensionsservice.org.uk/2022/02/23/who-needs-debt-advice-in-2022/

5 For a review of targeted survey procedures, see Lynn (2017).

Scoping study and practical findings

To assess the feasibility of our PLS, we commissioned a targeted, expert-led literature review.

Our review looked at evidence on UK and international studies which sought to measure the impact of debt advice outcomes over time. It also examined the research reports of non-debt longitudinal studies. The thorough desk research focused on two strands:

- finding methodological learnings from studies and the debt advice outcomes measured (short and longer term), and how these outcomes varied by client profile or delivery channel;
- identifying best practices in longitudinal impact evaluation in social policy.

Addressing the knowledge gap

Few studies provide any conclusive evidence of the effect of debt advice on the outcomes we're interested in exploring. Most of the existing studies are not longitudinal. They tend to ask about intended future behaviour, satisfaction with advice received, and the likelihood of using debt advice services again. Surprisingly, few studies ask what a respondent's debts are and how much these have changed. Many of the survey measures rely on self-reporting, often being subjective. Importantly, most of the existing studies are non-experimental, lacking a good counterfactual (comparison) group to investigate the effects of debt advice. Studies exploring level of debt in detail tend to be qualitative, with some objective measures.

Informing the survey's design

With evidence collated, the review explored different options and recommendations for an optimal survey method. In particular, the scoping study:

- confirmed that an omnibus survey method[6] was required for screening, given the large sample size needed;
- determined the sample profile to allocate respondents to our control and treatment groups;
- assessed the relative merits of having a tighter or looser definition of financial difficulties, suggesting our description of over-indebtedness struck a good balance[7];
- helped to select a randomised encouragement design as the best approach;
- identified the most appropriate impact measures to capture the length of time to run our PLS and the frequency to collect these measures;
- helped to maximise response rates as well as minimise non-response bias and sample attrition (most debt advice studies are based on survey work at a single point in time).

Five practical findings

1. Sample size

We screened **46,092 people** to have a minimum of **1,939 eligible participants** for two data collection waves over a two-year period (26 months).[8] These figures are based on using our definition of over-indebted. While a tighter definition would require a larger screened sample, it may result in more participants seeking debt advice.

2. Recruitment modes

While the review recommended recruiting **all** participants face to face, we opted to test the viability and effectiveness of using both face-to-face and online data collection methods (modes). Both modes have advantages and disadvantages. Face-to-face recruitment had the lowest level of observed eligibility (most likely because of social-desirability bias[9]) and highest level of attrition. Relying solely on this mode would have made it very difficult to complete our PLS. See PLS design for details.

6 A method of quantitative research where research companies conduct regular interviews with specific population groups. Organisations can pay to add questions onto such the surveys. This method reduces research costs, but limits data gathering.

7 See *Learnings and recommendations* where we suggest tightening the definition further.

8 Due to a permissions' error by the panel provider, we replaced part of the online omnibus with an ad-hoc solution to increase the number of people screened. We estimated that 38,750 people should have been screened for a similar final sample size if that error hadn't occurred. The positives from this error were three-fold: we could analyse a new, ad-hoc online recruitment mode; we had a longer recruitment period to look at seasonal effects; and, at a practical level, because the encouragement intervention was delivered in two separate batches, we were able to apply learnings from batch 1 to batch 2.

9 It seems highly plausible that people are less willing to admit to having debt problems during a face-to-face interview than, say, online which tends to feel more anonymous. Given this, it is possible that the actual eligibility between modes is similar. We discuss this point in more detail later. See *Methodological results*.

3. Characteristics to create treatment and control groups

Our scoping exercise identified many characteristics that could influence the impact of the advice and be used to construct the treatment and control groups. We worked with our advisory research group to focus on the most important ones.

4. Encouragement intervention

We used three debt advice providers and a multichannel approach (calls, emails, texts and post) to encourage respondents in our treatment group to seek advice. (Rather than a single provider and calls only as recommended by our scoping study.)

5. Complexity of debt advice solutions

Debt advice is not a monolithic process. It includes self-help advice as well as direct assistance. It involves reaching informal arrangements with creditors as well as other debt solutions.[10] While our scoping study highlights the form of advice as a consideration, our results show that achieving this level of granularity, is unlikely to be worth the extra expense. Each solution included would mean increasing the sample size and cost, but separating out solutions to assess outcomes may not be that informative. A client choosing the most suitable help, or best available, will have a better outcome than one who doesn't do this. This is why our PLS focuses on people receiving debt advice regardless of its form.

PLS timeframe

PLS waves	Our timings	Notes and recommendations
Wave 1 lag time between recruitment and encouragement intervention (treatment group)	3–4 weeks	See *Learnings and recommendations* later where we suggest cutting this lag time to a matter of minutes or hours, as well as other suggestions on improving the effectiveness of the encouragement.
Wave 2 survey	6 months after encouragement	Most benefits from receiving debt advice are experienced within 6 months, although the amount owed to creditors continues to fall steadily after that.[11]
Wave 3 survey	12 months later	Around a year after outcomes are first seen.
Total longitudinal survey length	2 years minimum	The majority of change in attitude and behaviour occurs in the first two years or has occurred enough to see which path the participant is heading down.[12] It can also take time for people to fall back into problem debt for several reasons. See *Learnings and recommendations* where we suggest a further wave is useful and possible (from high wave 3 response rates).

Our scoping work

We brings together studies to date on debt advice's role and outcomes.

- **34 debt advice studies reviewed**; Both qualitative and quantitative, using cross-sectional, longitudinal or mixed methods.
- **14 non-debt advice longitudinal studies reviewed**; Varying in sizes and subject areas, from employment support to education initiatives, skills, careers, money guidance, homelessness and drug use.

See Research references: 'Debt advice: A scoping study for measuring outcomes' (April 2016).

10 For a lots of debt advice solutions, go to https://www.stepchange.org/debt-info/debt-solutions.aspx
11 Williams and Sansom (2007). Similarly, Optimisa (2013) found that 90% of respondents reported that they had carried out at least one of the actions that they had agreed with their adviser within six months of receiving advice. It should be noted that this was a qualitative study, based on a small sample.
12 See Orton (2010).

PLS design

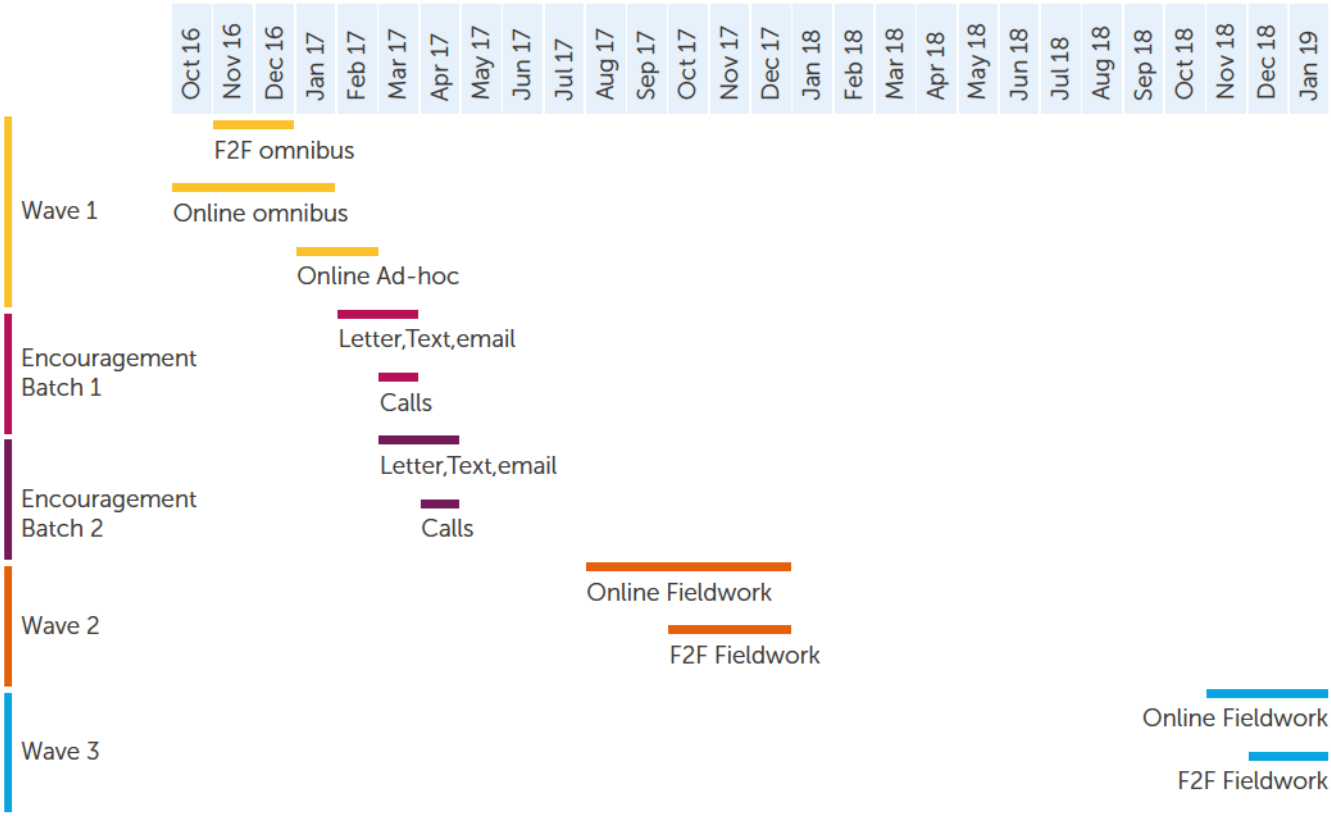
We used a randomised encouragement design to make sure the differences between the outcomes of those who seek, and those who do not seek debt advice, are not driven by the characteristics of those who seek help.

Overview of our approach

From our recruitment survey (wave 1), we identified a sample of people in the UK facing debt problems (eligible sample). We then split this eligible sample into two groups. We selected half at random as our treatment group, using the stratified random process described later in this section. These participants were encouraged to contact a debt advice service. The encouragement took the form of written communications – direct mail, emails and text messages – and subsequent 'proactive' calls from debt advice support professionals for participants who agreed to receive a call when recruited. Individuals in the other half of the sample – our control group – were not encouraged to seek debt advice.

To best gain comparative results across the treatment and control groups, the encouragement intervention focused on participants we classified as 'reluctant advice seekers': individuals who sought advice only if encouraged to do so.[13] (See our design rationale later in this section for further details.) We tracked the outcomes of both groups across two interview waves (waves 2 and 3) over a period of more than two years from time of recruitment.[14]

Figure 1. Summary of the main PLS activities



13 We categorised over-indebted individuals into three main types with our encouragement intervention focusing on the middle one: Proactive advice seekers (seek advice even without encouragement); **Reluctant advice seekers** (seek advice only if encouraged); and Advice shunners (do not seek advice, even if encouraged).

14 While our study relies on outcome information collected through surveys (which risks subjective self-reporting), future research could also explore the use of more objective administrative data. The latter would be limited, but could supplement survey data, providing basic information around an individual's credit record and payments to creditors.

Experiments to increase response rates

To help boost response rates, we notified participants that we would be in touch ahead of running each survey wave. We also offered a **monetary incentive**[15] for taking part, testing the effectiveness of two approaches. One half of our sample received £10 conditional on them completing the questionnaire. The other half received £5 unconditionally, with the promise of a further £5 when completing the questionnaire. Additionally, at wave 2, we experimented by adding a handwritten address to some of the letters mailed out, testing whether this increased the likelihood of opening the letter and survey participation. We found no significant differences in response rates with any of these experiments.[16]

Survey questionnaires

We refined our questionnaires for waves 2 and 3 through two rounds of cognitive testing, involving people who had recently experienced debt and money problems. We also based our questions on renowned, long-standing surveys.[17] We wanted to use similar, well-established sources and metrics to make comparisons where possible, with the ONS personal wellbeing survey questions, for example. Our full questionnaires across all waves, are available on request.

Rationale for a randomised encouragement design

A randomised control trial (RCT) is the 'gold standard' for this type of study, but ethical concerns ruled this option out. Conducting a proper RCT for debt advice would require everyone who approached an agency for help to be intercepted, with half of them turned away. We adopted the next best approach: a randomised encouragement design.[18] This design relies on the randomised allocation to a treatment and control (counterfactual) group to estimate the effects of being encouraged to seek debt advice. As not all those encouraged to seek debt advice, do so, and some people seek advice without having received the encouragement, this design doesn't directly identify the effects of seeking debt advice. The effects can be estimated using the receipt of the encouragement as an instrumental variable. However, to estimate the effect of seeking debt advice, this approach hinges on the encouragement's effectiveness to increase debt advice take up. This was not the case in our study, so the main effects we estimate are the effects of receiving the encouragement (rather than the effects of seeking debt advice). Further experimental studies are needed to investigate the effects of seeking debt advice.

For a succinct explanation of the randomised encouragement design, see *Research references*: 'Debt advice: A scoping study for measuring outcomes' (April 2016), Appendix 6.1.

Recruiting participants

Recruitment criteria

Our survey participants met the following three criteria:

- were over-indebted according to two screening questions;
- had not sought any debt advice in the previous six months; and
- agreed to be re-contacted for future research.

Respondents were also asked if they were willing for their details to be given to a debt advice agency, who may contact them by phone to offer help. These proactive phone calls formed part of the encouragement intervention.

15 As incentives, we also considered shopping vouchers and prize raffles (for example, the chance to win a tablet device), but decided not to run too many different experiments.

16 The Office for National Statistics (ONS) ran an incentives trial in 2020. It found that the conditional group (who received £15) had fewer cases with contact details and fewer complete interviews than the unconditional group (who received £10). See: https://ukdataservice.ac.uk/media/622975/hargreaves.pdf

17 Including ONS harmonised questions, Understanding Society (Usoc) surveys, Wealth & Assets Survey (WAS), OECD/INFE 2015 Financial Literacy Survey, High Cost Credit Survey, standard questions used across many government surveys and MAS Debt Advice Tracker. This is not an exhaustive list.

18 Our scoping exercise also considered a longitudinal-only study without the randomisation component. A full-population longitudinal study would be considerably more expensive than a randomised encouragement design and less likely suited to estimate the true causal effect of seeking debt advice. The sample would include representation of all people not in debt as a baseline (possibly around 80%) in addition to those who are initially over-indebted. This significant extra cost is hard to justify.

Recruitment sources

To identify and recruit participants (wave 1), we used two main modes: online and face-to-face omnibuses. This allowed us to test the viability and effectiveness of different data collection modes for further longitudinal research. Recruitment was supplemented by an ad-hoc online survey.[19] Eligible individuals completed a ten-minute questionnaire, forming the wave 1 baseline for the survey. The questionnaire collected a snapshot of each participant's finances and past use of debt advice agencies.[20]

The use of omnibus surveys limits the number of questions that can be included. See Learnings and recommendation for how to address this common issue.

How online and face-to-face recruitment differs

Both the online omnibus and ad-hoc survey, use a sample from online panel providers (a panel made up of respondents who have agreed to take part in surveys in return for rewards). The sample drawn is not selected randomly. Instead, quotas are put in place to ensure that the overall profile of the interviewed sample, matches the UK population.[21] The face-to-face omnibus uses random location sampling, with interviews conducted in-home using CAPI (computer assisted personal interview) technology. During each wave, an interviewer is assigned an area, (typically a census output area) to achieve a set number of interviews. We also used additional quotas (as for online recruitment).

Random stratification: Creating the control and treatment groups

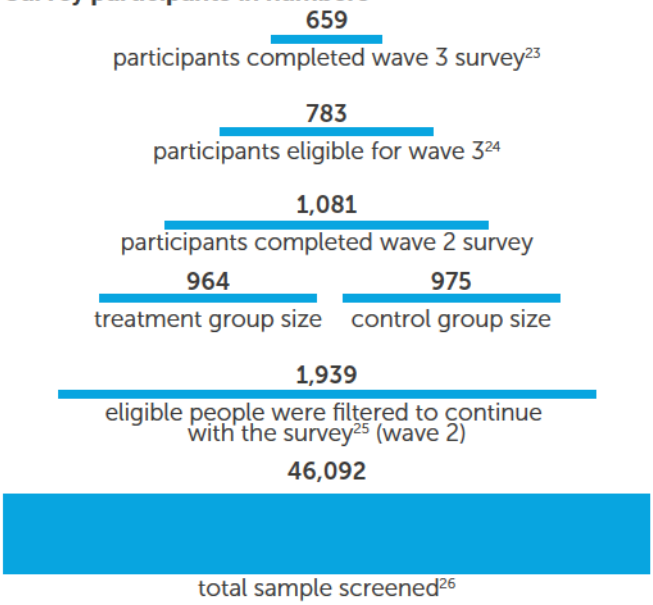
Having collated the sample for wave 2, respondents were systematically stratified and randomly allocated to either the control or treatment group, before the latter received the encouragement.

Stratification was:

- **by recruitment mode**, ensuring that there were no systematic differences between the treatment and control groups due to how people were recruited;
- **by agreement to receive proactive calls** from a debt advice agency; those agreeing (almost 70% of our sample) were disproportionately allocated to the treatment group, as this was a key part of the encouragement;
- **by debt profile** to avoid systematic differences; we used characteristics (variables) considered likely to be associated with propensity to seek debt advice, or with the types of advice which might be sought.[22]

After the sample was stratified and allocated, we compared the control and treatment groups in terms of demographics, debt profile and other key variables. Both groups were well balanced overall, with a disproportionate allocation by agreement to proactive calls (as mentioned above). When analysing our data, we used weights, correcting the imbalanced allocation of people who agree to receive proactive calls between the treatment and the control groups.

Survey participants in numbers



19 Two unforeseen problems arose during fieldwork, affecting the sample. First, one of the online omnibus provider could not provide the names of respondents who had initially agreed to be re-contacted. Secondly, one of the online panels (on which our omnibus ran) missed our set of re-contact questions. Consequently, the data sharing agreement between panel provider and respondents did not allow contact details to be transferred for part of the sample. While a necessity to bolster the sample, the ad hoc online survey (a third fieldwork vehicle) enabled us to collect further data on recruitment methods.

20 'Investigating the role of Formal Debt Advice: Insights from a new sample of Over-indebted people in Britain', (May 2021). See Research references at the back for details.

21 The sample recruited has a similar profile to the UK population in most common demographic variables, such as gender, age, ethnicity, working status, tenure, etc. For details on the sample collection please see Longitudinal study of debt advice, Wave 1 technical report (May 2021).

22 Variables were: debt advice history, level of debt, length of time being over-indebted and types of over-indebtedness. See Survey tables later for details.

23 Breakdown by experimental group: 331 control and 318 treatment.

24 At wave 3, the survey agency changed and participants had to agree to share their contact details with the new agency. 298 respondents were unwilling to share their details, making it impossible to re-contact them.

25 Once duplicates were excluded (different unique IDs being required), as well as respondents recruited from the online panel (due to uncertainty over permission being given to be recontacted). Breakdown by mode: 476 respondents from the face-to-face omnibus, 466 from the online omnibus and 997 from the online ad-hoc survey.

26 Over-indebted respondents were also excluded if they had received debt advice in the last six months. The proportion excluded ranged from 17% in the face-to-face omnibus to 30% in the online omnibus.

Encouragement intervention

Encouragement materials

MAS (now MaPS) and Kantar Public worked with Ogilvy Change, a behavioural interventions agency, to design and test the encouragement strategy and materials: a direct mail item, email and text messages. This stage was also informed by running a workshop with three debt advice organisations, (Citizens Advice Head Office, Haddington Citizens Advice Bureau and Talking Money) and incorporated advisory research group feedback.

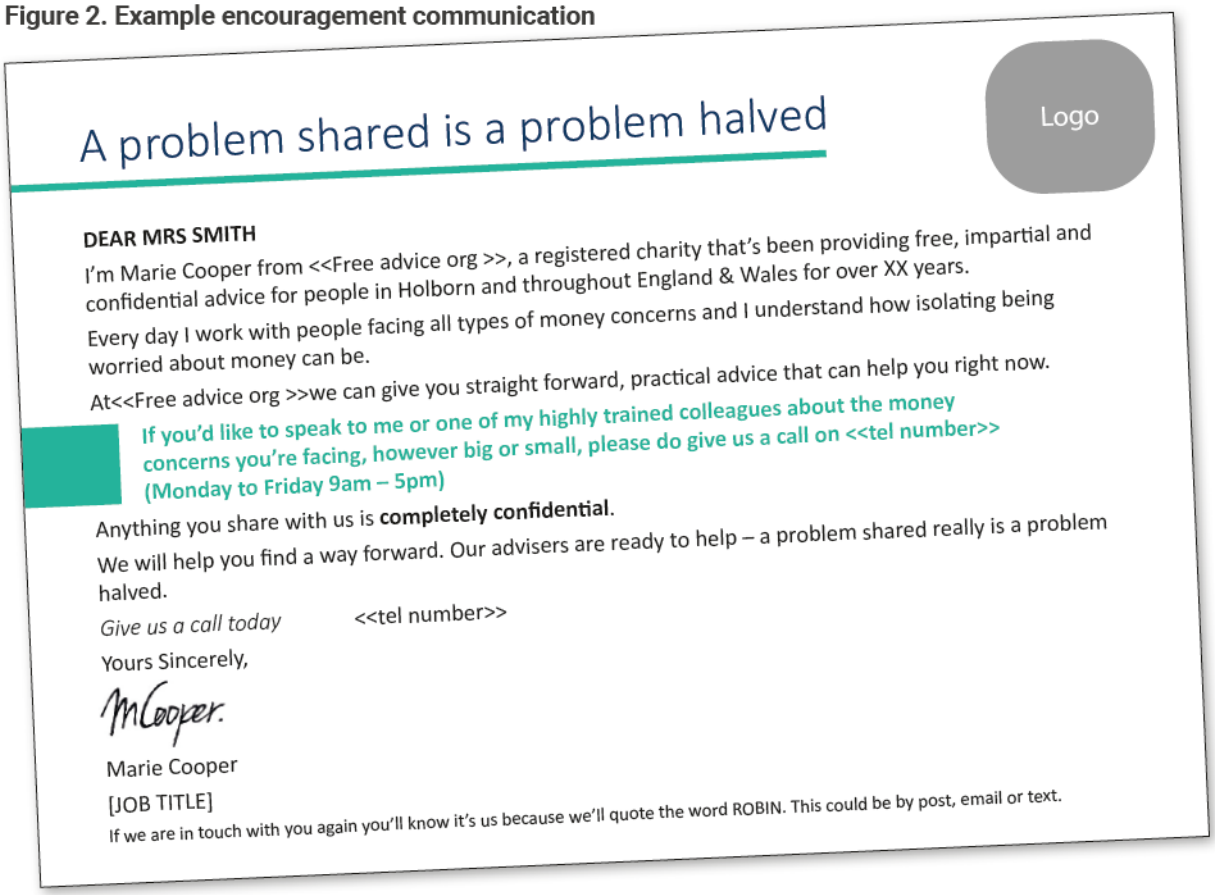
We designed our communications to minimise psychological discomfort felt by receivers: using reassuring language, avoiding the word 'debt' and stressing confidentiality. The style was simple and personalised, suggesting few and immediate actions. The messages were made credible through the use of the name and logos of either MAS or Citizens Advice.

The intervention was multichannel by design. We created two variants:

- receiving a proactive call from an adviser, or not; and
- receiving the communication from a named adviser of the same gender or from the organisation (rather than a specific adviser).

While simple on the surface, these small customisations meant we required nearly 40 different versions of materials.[27]

Figure 2. Example encouragement communication


A problem shared is a problem halved

Logo

DEAR MRS SMITH

I'm Marie Cooper from <<Free advice org >>, a registered charity that's been providing free, impartial and confidential advice for people in Holborn and throughout England & Wales for over XX years.

Every day I work with people facing all types of money concerns and I understand how isolating being worried about money can be.

At<<Free advice org >>we can give you straight forward, practical advice that can help you right now.

If you'd like to speak to me or one of my highly trained colleagues about the money concerns you're facing, however big or small, please do give us a call on <<tel number>> (Monday to Friday 9am – 5pm)

Anything you share with us is **completely confidential**.

We will help you find a way forward. Our advisers are ready to help – a problem shared really is a problem halved.

Give us a call today <<tel number>>

Yours Sincerely,

MCooper.

Marie Cooper

[JOB TITLE]

If we are in touch with you again you'll know it's us because we'll quote the word ROBIN. This could be by post, email or text.

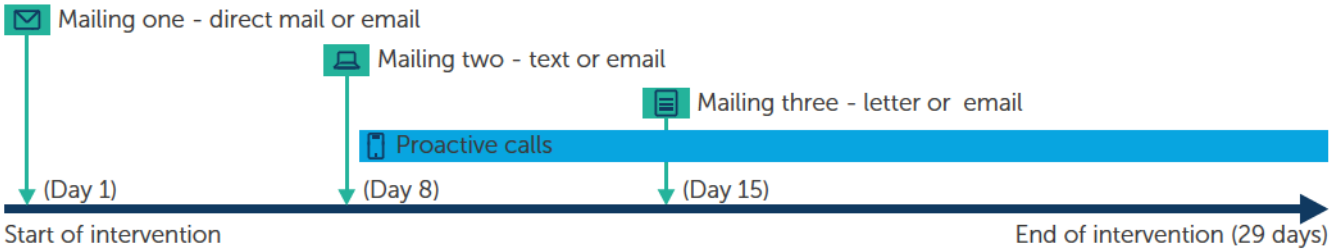
See Supporting materials
for our encouragement materials and behavioural science techniques

Encouragement intervention plan

We split the encouragement intervention for the treatment group into two batches according to the participant's interview date. The first batch covered respondents interviewed from October 2016–January 2017 and the second batch from January 2017–February 2017. We designed the encouragement intervention so those in the treatment group received three communications within 15 days, and a proactive call just after the second communication (see Fig. 3). This second communication (a text) was sent as close as possible to the proactive call to boost response rates.

27 For example, respondents could receive either MAS-branded or Citizens Advice-branded material, with communication types varying by the nature of contact details provided, respondent's gender, location and proactive call provider. See Research references for further details: 'Longitudinal study of debt advice, Wave 1 technical report' (May 2021).

Figure 3. Summary of encouragement intervention plan



Putting the plan into practice

The encouragement intervention was largely delivered to plan. Delays mainly occurred for batch 1, being avoided for batch 2 on the whole. The four main issues were:

- mailing one (batch 1) was sent out a couple of days later;
- one proactive caller made calls the day after texts were sent out;
- respondents assigned to the Citizens Advice branded materials did not receive the mailings in the order intended, nor within the planned timeframe (mailings two and three swapped order, but these respondents were not on the proactive call list);
- incorrect names were attached to around half of the participants for the face-to-face omnibus survey (due to sampling error by the research agency). Effectively, this meant that a quarter of the face-to-face sample received the encouragement intervention incorrectly. An extra (fourth) communication was sent to correct this error. None of the people in the affected sample were in the proactive call group.

Making the proactive calls

Delivering the proactive calls was one of the most complex elements of the encouragement intervention. It involved liaising with four potential providers of debt advice, three of which took part in the calls. There were two batches of calls:

- batch 1, involving Money Advice Service (Konecta) and Capitalise (now Debt Free London); and
- batch 2, involving Money Advice Service (Konecta), Capitalise and StepChange.

Permission for proactive calls

The agreement rate for receiving proactive calls among our respondents recruited for wave 2, was considerably higher for our face-to-face than our online samples.

44.7% face-to-face omnibus

32.6% online omnibus

29.4% online ad hoc survey

See Supporting materials

for guidelines on making the opening call

Waves 2 and 3: Fieldwork approach

Interviews followed a sequential, mixed-mode design.

- All respondents were invited to complete the survey online.
- After three weeks, the online survey was closed and any 'non-completes' were transferred to a face-to-face survey, with an interviewer assigned to each household (the interviewer visited the household on different days of the week and at different times to maximise responses).
- For wave 3 (with a new research agency), we started with the online survey and, after three weeks, ran the face-to-face survey. Instead of closing the online survey (as for wave 2), we left it open. Respondents unable to answer questions face to face, there and then, were offered the online survey as an option. This change in strategy increased the total number of responses in wave 3 by 6%.

Response rates

Wave 2: **56%**

1,081 completed surveys from 1,939 participants

Wave 3: **84%**

659 completed surveys from 783 participants[28]

28 289 participants were excluded because they didn't consent to being contacted by a further research agency. 643 of 659 participants were happy to be contacted for a follow-up, wave 4 survey.

Methodological results

Running for over two years, our PLS generated a large amount of methodological data. This section covers the most significant results with design implications.

For full details, please see Research references at the back of this report, notably 'Methodological Lessons from the Pilot Longitudinal Survey on Debt Advice' (April 2021) which is the basis for the tables below.

PLS design results

Eligibility rates

The eligibility rate refers to the proportion of initial sample members who are eligible to take part in the study. Knowledge of this rate is essential to understand how large the initial sample must be and to estimate survey costs.

The primary eligibility criterion is being over-indebted (see Table 1, 'Eligible 1'). However, it is also necessary for survey respondents to have not received debt advice in the last six months ('Eligible 2') and to be willing to take part in the study ('Eligible 3').

Table 1: Eligibility rates for different subgroups

	Eligible 1	Eligible 2	Eligible 3	Final eligible	Respondents
Total	14.17	10.62	8.74	4.30	45,118
Mode					
Face-to-face omnibus	5.1	4.3	2.6	2.6	18,044
Online omnibus	20.0	14.1	12.2	3.2	14,449
Online ad hoc survey	20.4	15.8	13.5	7.9	10,046

Table 1 shows the different eligibility rates, depending on how many constraints are imposed (cumulative) to the sample. For example, 'Eligible 1' defines all those meeting our first condition of being over-indebted: 14.17% for our total initial sample. 'Final eligible' are respondents meeting our three recruitment criteria and providing information to be re-contacted.[29] 4.30% of our total sample are eligible for our next waves.

What you can do with eligibility rates

Understanding how the proportion of individuals classified as over-indebted in general, and for each sub-population, varies (such as across regions) is important. With this, you can:

- estimate the starting sample needed to locate any given desired sample size of eligible persons;
- inform budgets to carry out future longitudinal studies;
- gain insight into how the population of interest is distributed across subgroups.

Eligibility rates per sample mode

Our face-to-face omnibus has a significantly lower eligibility rate than our two online sources. This difference is especially high for 'Eligible 1', meaning that for the face-to-face general sample, there is a much lower rate of reported over-indebtedness identified than with online recruitment. This could be due to a combination of the following two effects.

- **Measurement effect**

  Our respondents were less willing to admit to financial difficulties when an interviewer was present (social desirability bias). But the incidence for the face-to-face omnibus is too low compared to previous MAS surveys to be explained by this only.

- **Selection effect**

  Different types of people took part in our surveys given the different sampling methods. Some of these differences are easily observed (such as age and working status). However, such observed differences explain only a small amount of the difference in incidence rates which is very similar between modes (around 18%).

29 Due to permission issues, we modelled the rate of refused contact for the online omnibus using the ad-hoc online survey. The estimated final usable re-contact rates among eligible respondents (ie over-indebted respondents who had not received formal debt advice in the last six months) is 62% tor face-to-face and 52% for both online surveys.

The above suggests that much of the incidence difference is due to unobserved differences between the samples. For example, over-indebted individuals may be less likely, on average, to answer the door to unexpected callers and be under-represented in the face-to-face omnibus. Or they may, on average, be more likely to join an online panel given the small financial incentives offered and be over-represented in online surveys. Comparing the online sources, we can see similar patterns. However, the final eligibility rate for the online omnibus is lower than for the online ad-hoc survey because of the problems related to obtaining contact information. It is likely that, without the problems, our PLS eligibility rate would be higher, at levels of 'Final eligible'.[30]

Response rates and attrition: Across waves for different sample subgroups

Our respondents are those who answered the wave in question. To calculate our response rates, we divide the number of those answering at wave 2 or 3 by those eligible to be contacted after wave 1. Attrition refers to individuals leaving the panel and can no longer be observed. Our first two response rates given here are in the range expected for wave 2 (50–58%) and for wave 3 (33–45%). These rates are similar to other longitudinal studies.

55.8% response rate at wave 2

Conditional on interview at wave 1

40.2% response rate at wave 3

Conditional on interview at wave 1 and excluding respondents were unwilling to share their contact details with the new agency

81.6% response rate at wave 3

Conditional on interview at wave 2

Of the participants not answering at wave 3, 3.0% opted out and 15.4% did not answer the survey after being contacted

Table 2: Response rates for waves 2 and 3

Conditional on participation at wave 1 and chi-square tests of differences between the subgroups

	Wave 2		Wave 3	
	Response rate %	Base no.	Response	Base no.
Total	55.8	1,939	40.2	1,641
By mode	$X^2(2)=89.18$***		$X^2(2)=161.88$***	
Face-to-face omnibus	37.4	476	13.2	387
Online omnibus	65.0	466	54.3	403
Online ad-hoc	60.2	997	45.7	851
Experimental group (unweighted)	$X^2(1)=1.74$		$X^2(1)=0.04$	
Control group	57.2	975	40.4	819
Treatment group	54.3	964	59.6	822

*** and ** indicate statistically significant differences between subgroups at 99% and 95% confidence level, respectively.

Differences between sample sources are highly significant

30 percentage points lower for face-to-face versus online sources

Differences by mode continue to be the most significant. Additionally, a significantly higher proportion of face-to-face respondents opted out at wave 2. The large discrepancy in response rate between modes is only marginally reduced if we do not consider those affected by the naming error with the face-to-face omnibus (incorrectly addressed participants).[31] The response rate would only increase by 2.1% for wave 2 and 0.9% for wave 3.

30 Eligibility rates fluctuate, although not greatly, across a small number of demographics and regions. For details, see earlier: *Methodological results*, 'Eligibility rates and demographic variables'.

31 See *PLS design*, 'Encouragement intervention plan'. The face-to-face respondents affected by this error have a higher non-response rate than those who received the encouragement as planned. The main difference occurs between waves 1 and 2. Since the error was due to the random sampling process, it did bias the comparison between control and treatment groups. Interestingly, there is no evidence that those who received the extra, fourth communication have any decremental effect in their response to the encouragement.

The encouragement did not affect attrition rates

The statistical test indicates that there are no significant differences in the response rates between the treatment and control group for waves 2 and 3. This suggests that the encouragement intervention did not affect attrition rates between groups.

Types of over-indebtedness provide an interesting result

Participants who identified their debt as a 'heavy burden' in wave 1, present a significantly higher response rate. While this pattern can also be observed in waves 2 and 3, the difference is no longer significant for wave 3.[32] Besides, by wave 3, we see a significant lower response rate for 'no declared' debt.[33] These two effects indicate that, as financial wellbeing improves, a participant is less interested in continuing the survey. Future longitudinal surveys should be designed to appeal to those who are no longer in debt (see *Learnings and recommendations*).

Age is a factor

We find similar patterns of responses rates to other longitudinal surveys in reference to age. Younger respondents have lower response rates than older participants. For example, at wave 3, 18-24 year olds present a response rate of 13.8%, compared with 51.5% for 45–54 year olds.

Low response and higher attrition from young respondents is a well-known problem in longitudinal studies. Targeted procedures in communications and incentives can be implemented to increase their participation.[34] See Learnings and recommendations for how to address this common issue.

Regional variations

Response rates vary significantly across regions. At both waves 2 and 3:

- those from London and Yorkshire & Humberside have significantly lower response rates;
- those from North West, South West and East Midlands present higher response rates.

No other statistically significant differences

Not by gender, working status, children in household and length of debt. This is also true when looking at results from the two experiments we carried out during our PLS: the use of monetary incentives to complete the survey and the handwritten mailing to encourage engagement.

Attrition bias

We investigated how attrition might affect the representativeness of subsequent waves using established test of proportions.[35] This is a fundamental consideration when reporting longitudinal survey results. If attrition happens entirely at random, sample size is reduced, but its composition remains unaltered. This means it is still possible to infer results about the target population. However, if the attrition is systematic (related to a statistic of interest), survey estimates will be biased. Changes in estimates might not necessarily reflect real changes for individuals (such as being over-indebted or not), but rather a change in the sample composition.

Two points of interest

- Two variables reducing the likelihood of attrition at waves 2 and 3 (conditional on participation at wave 1) seem to be: online recruitment modes and increasing in age. Results reinforce our response rate findings above, except for the level of debt which is no longer significant.[36]
- We see few significant differences between waves suggesting that attrition does not introduce bias (using tests of proportions).

Overall, few significant differences appear

- Wave 2 and 3 samples are significantly older than for wave 1, having fewer young respondents.
- Wave 3 sample comprises individuals with deeper debt problems. The proportion of participants in wave 1 with more than £2,500 of debts is lower than in wave 3, as well as those with incomes lower than £10,000.
- The high response rate among those with more debt at wave 3 confirms our earlier assumption that those with less debt are less interested in continuing the survey.

Our findings assume that the outcomes (conditional on observed variables) of those unwilling to share contact details with a different research agency would be the same as for the willing (and observed) ones. While our analysis makes this case well, this is a complex assumption. For more on this, see *Research references*: 'Methodological Lessons from the Pilot Longitudinal Survey on Debt Advice'.

32 The response rate for debt being a heavy burden in waves 2 and 3 is 60.3 and 43.2, respectively. While those missing payments is 51.7 and 38. But the difference is only statistically significant for wave 2.

33 The response rate at wave 3 for participants declaring no debt is 29.7%. In comparison, it is 40.9% and 45.7% for respondents with up to £2,500 and over £2,5000 in debt, respectively.

34 Einarsson et al (2021) showed that shortening the text in survey invites and the location of the survey link increases young adults' participation. Fumagalli et al (2012) found that tailored reports between waves had a positive effect in increasing the interest of young participants in the survey.

35 A test of proportions tests for significant difference between proportions in two samples. For more detailed information please see *Research references*: 'Methodological Lessons from the Pilot Longitudinal Survey on Debt Advice'.

36 Two more significant results of the analysis are: Living in the North West of England reduces the probability to attrite at wave 3 compared to the North East; and having an income between £50,000 and £59,999 increases the probability to attrite at wave 2, compared with respondents with an income of under £10,000.

Endogenous attrition across treatment and control groups

This type of attrition is a major consideration for our PLS as it could prevent us from comparing the control and treatment groups fairly. We're interested in seeing if differences between these two groups are endogenous or attributed to other factors. Testing each of our key survey parameters using a range of statistical models and tests,[37] we find that:

- being in the treatment group does not increase the likelihood to drop out – the attrition rate doesn't differ between the treatment and control group, generally;
- the use of online recruitment modes reduces the probability to drop out for both our groups and waves compared with a face-to-face mode;
- having greater numbers of older cohorts also reduces the probability to drop out.

However, across waves, we see no variable that presents a significant difference in distribution between the treatment and control groups. Besides this fact, attrition does not create unbalanced samples between groups.

In short, both groups across waves are comparable having rigorously analysed demographic and other fundamental survey variables. Differences in outcomes can confidently be attributed to the encouragement intervention, rather than the effect of differential attrition.

Sample proportions of debt experiences and behaviours

In this sub-section we present some of the most relevant variables for our PLS design, focusing on participants who received the encouragement and sought formal debt advice, specifically our 'reluctant advice seekers'. Most of the experiences and behaviours were only captured in waves 2 and 3.[38] Differences should not be interpreted as changes in the original composition, but on people's attitudes and behaviours.

Table 3: Sample proportions of debt-related experiences and behaviours

	Sample proportions of debt-related experiences and behaviours			Estimated groups size If wave 3 has 2,000 respondents
	Wave 1	Wave 2	Wave 3	
Heavy burden to keep up with bills	65.0	**38.0**	**38.7**	774
Missing payments	58.8	**33.5**	**36.5**	730
+£2,500 pounds in debts	41.5	**48.3**	**47.0**	940
Better financial situation	16.6	**27.7***	**32.6**	652
Financial difficulties	66.4	**43.6**	**39.9**	798
Sought any debt advice	-	58.3**	39.5	790
Sought formal debt advice	-	35.7**	18.7**	374

Note: * p_value<0.05; **p_value<0.01 in wave 2 column indicates significant differences between waves 2 and 3; Bold indicates significant difference <0.05 between wave 1 and wave 2 or 3.

35.7% of participants sought formal debt advice at wave 2

18.7% of participants sought formal debt advice between waves 2 and 3

44.8% of participants sought formal debt advice between recruitment and wave 3

This would be a group size of 895, if the sample in wave 3 was 2,000 participants.

For 2,000 respondents at wave 3, the recruitment sample at wave 1 should be around 5,000 (4,975)

37 Our analysis uses logistic models of attrition, tests of differences in sample distributions and test of proportions. Since we're interested in the potential endogeneity introduced by the attrition in this study, we include those participants who left because they were unwilling to share their contact details with a new research agency.

38 A limitation of using an omnibus to recruit respondents is the number of survey question you can include.

The effect of the encouragement on the probability of seeking debt advice

We estimated the effects of being encouraged to seek debt advice by comparing the outcomes of those who received, and those who do not receive, the random encouragement intervention.

This is relatively straightforward as the encouragement was randomly assigned to respondents. We only need to account for the fact that respondents agreeing to receive proactive calls were over-sampled in the treatment group (the encouragement is random conditional on proactive status). Since the probabilities of selection into treatment units are known, we can construct weights that correct this imbalance in the creation of the treatment and the control groups. Provided that these weights are used, weighted comparisons of the treatment and the control groups provide an estimate of the treatment effect of receiving the encouragement.[39]

We find that being encouraged to seek help with debt increases the likelihood of people asking for informal help, but not formal debt advice. Seeking help from friend and family and self-help are the main choices made by recipients of the encouragement.

Percentage point increases

5% and 6% increases for waves 2 and 3, respectively in the probability of seeking informal debt advice following our encouragement intervention

7% and 12% increases for waves 2 and 3, respectively in the number of types of advice sought

Conclusions

The methodological results show that a large-scale study is feasible. All our PLS parameters – including eligibility, response and attrition rates – are as expected and not uncommon from other longitudinal studies. Respondents in the control group can be used to infer what would have happened to treatment group respondents. Additionally, we can use the eligibility rates estimated in our PLS to calculate the starting sample needed for a large-size study.

Interestingly, our PLS attrition rates are similar to longitudinal studies in other areas, going against the perception that those in the greatest financial difficulty will drop out more than others. In fact, we see the contrary: participants no longer in financial difficulty are more likely to leave the survey. This trend makes it difficult to analyse if financial improvements are as a result of receiving debt advice or not. The same is true for changes in other important outcomes, such as greater financial capability and better mental health. Future research should be designed to keep respondents contributing to surveys even if their financial situation has improved. While satisfactory, we have made recommendations later on how to improve each key parameter.

Regarding the randomised component of our PLS, designing an effective encouragement intervention remains a significant challenge. The percentage of over-indebted people seeking debt advice is around 20%.[40] Formal support is often only sought when a person's financial circumstances have significantly deteriorated and a life event, such as being contacted by an enforcement agent, triggers action. Our design did not generate a statistically significant difference between the treatment and the control group in the probability of seeking formal debt advice. Again, we propose some solutions in the Learnings and recommendations section. But we also see that being in the treatment group does not significantly change the likelihood of leaving the survey, avoiding the risk of bias for subsequent survey waves. This is an important and successful result of the encouragement intervention.

Looking for debt advice outcomes?

Please see *Data analysis on debt advice* outcomes, based on our pilot dataset.

39 Using three different robustness checks we conclude that, when using our weights, respondents in the control group can be used to infer what would have happened to respondents in the treatment group if they had not received the encouragement. For further details on our approach, see *Research references*: 'Investigating the role of Debt Advice: An Encouragement Study on a new sample of Over-indebted people in Britain'.

40 FCA (2020).

Learnings and recommendations

Learnings	Recommendations
PLS design	
The survey design is effective, with tests and improvements needed Our PLS provides a strong basis for a large-scale longitudinal study of debt advice and future studies of this nature, generating a workable large sample to study the differences between a treatment and control group over several waves.	When using this design, test out our recommendations (below) to improve the encouragement intervention. Another possibility is to run your study using an established longitudinal survey, such as from the Understanding Society or alongside the Wealth and Assets Survey which will need to include a randomise encouragement intervention to generate the sample size required for the analysis.
A range of valuable outputs can be measured Beyond consent permissions, contact details and standard demographic questions, we added questions on: the respondent's financial situation (including level of arrears and credit owed, as well as attitudes to debt); debt advice provision, outcomes and barriers to getting help; and personal wellbeing and health.	Given a client's debt journey is complex, multichannel and often requires more than one provider, it's better to work on the basis that individuals choosing the most suitable help available will have a better outcome than those who don't do this. Rather than focusing on channels or too granular advice provision, your study can look at the relationship between opportunities and capabilities with debt advice outcomes.
Survey sample	
The criteria of 'over-indebtedness' may need further tightening People in lower levels of debt and/or more 'money confident' may feel better able to resolve their financial problems by themselves.[41] Potentially, this audience might not seek formal debt advice no matter how they're encouraged to do so.	Adopting a tighter definition of problem debt could be beneficial. As fewer people will be eligible, the sample screened would need to be larger to meet the necessary longitudinal survey sample size. Use our results on eligibility rates to calculate the starting sample size.
Certain demographic groups are under-represented Notably: men, younger and older cohorts (18–24 years and 55–64 years, respectively), full-time workers and those with no children in the household. All have lower eligibility rates in our PLS. For details, see earlier: Methodological results, 'Eligibility rates and demographic variables'.	We do not recommend any oversampling of groups with a low eligibility rate, unless it's of particular policy interest.
Sample reductions still enable treatment and control groups to be compared and future waves The treatment and control groups could still be compared for analysis, even after the change of research agency at wave 3. What's more, by wave 3 the sample is highly engaged with the study, suggesting a future wave 4 is feasible.[42]	Introducing a wave 4 survey will allow a study to look at long-term outcomes, such as the likelihood, and causes, of falling into problem debt again, and how these relate to debt provision. It's always important to keep in contact with the sample. For example, ask participants to check/update their contact details.

41 40% of our recruited sample had not missed payments in the last 6 months and 36% reported no longer having financial problems after 20 weeks.

42 The response rate at wave 3 was 40% and 84% conditional to wave 1 and 2, respectively.

Learnings	Recommendations
Recruitment modes	
Online samples have higher eligibility rate than face-to-face samples We recruited four times as many participants online compared with face to face, suggesting this is a more effective mode. For reasons, see *Methodological results*, 'Eligibility rates per sample mode'. The difference in eligibility rates does not compromise recruitment, as long as the recruited respondents are broadly representative of the population of over-indebted individuals.	Use an online ad-hoc survey (online panel) over an online omnibus for recruitment. The former should be able to reach a representative sample of over-indebted people in the UK, while offering benefits of speed (fieldwork being considerably shorter) and the inclusion of a longer questionnaire. (An omnibus restricts the number of questions collected at the baseline.)
Face-to-face recruited samples are more likely to be of a certain profile That is, aged 55 or above, not working and a lower social grade compared to online recruited samples.	Invest in gathering data at the recruitment wave to measure debt advice outcomes. This is possible using an online ad hoc survey at additional cost, and would be valuable.
Face-to-face samples are more likely to attrite and present lower response rates than online ones Using solely a face-to-face recruitment mode will cause major issues for a longitudinal survey on debt advice.	Use face-to-face recruitment to boost subgroups under-represented by an online panel.
Encouragement intervention	
The encouragement intervention (as is) does not lead to people seeking formal debt advice Participants are more likely to ask friends, family and associates for informal help, proving detrimental.	To improve the success of the encouragement: ■ pre-empt people's tendency to ask friends and family for help, explaining why this is detrimental and the benefit of formal debt advice. At the same time, consider ways to get those approached for advice to not give it, but instead refer their friend or family member to a professional debt advice service;[43] ■ refer participants to a debt advice service provider after completing the survey. If online, point to a provider, create a special webpage to book a call back/request information or link to our debt advice locator tool.[44] If on the phone, transfer the call straight to a debt provider at the end of the survey or obtain permission from the participant to be called back later to receive help (as a warm contact); ■ using the survey script to identify the most suitable nudge; ■ use follow-up communications, as needed.
Different debt profiles between face-to-face and online recruited samples have no impact We find no significant difference in terms of reaction to our encouragement intervention.	
Proactive calls reached contacts, but had limited impact on debt advice referral rates 40% of participants who agreed to be contacted were re-contacted, with 33% being no longer in debt. Referral rates are low: 9% of all participants contacted for our PLS.	
The shorter the lag time between recruitment and encouragement the better When making proactive calls with a lag time of 3 weeks (on average), 44% of eligible respondents are reached. When the gap was 4 weeks or more, this drops to 35%.	To increase response rates, book call times with participants in 2-hour slots (rather than morning or afternoon appointments). Two windows are most effective: 11am–2pm and 4pm–6pm. If it's not possible to refer participants to debt advice immediately or just after the survey (highly recommended), aim for a lag time of just a few days, rather than weeks.
The encouragement intervention does not bias attrition or response rates The treatment and control groups remain comparable at waves 2 and 3, which is extremely encouraging for this type of study.	Make sure that participants receiving distinct interventions are equally assigned to your treatment and control groups, safeguarding the effectiveness of your tests.

43 See Hasler and Lusardi (2019).
44 For example, go to: https://www.moneyhelper.org.uk/en/money-troubles/dealing-with-debt/debt-advice-locator.html

Learnings	Recommendations
Engaging and incentivising participants	
Using handwritten envelopes has no major benefits Our experiment at wave 2 sees no statistically significant difference in response or attrition rates for participants receiving handwritten envelopes compared with those who did not get these.	
Conditional or unconditional monetary incentives are equally as effective There is also no statistically significant difference in response or attrition rates between our experimental sample receiving £10 conditional on completing the questionnaire and a second sample receiving £5 unconditionally, with a further £5 on questionnaire completion.[45]	Provide incentives, making an early test of unconditional versus any of the incentive strategies that we used. You could also test wider ideas, such as taking part in a lottery for the chance to win a high-value voucher or other desirable prize.
Attrition and comparing treatment and control groups	
The survey design keeps attrition rates sufficiently low As well as reaching the sample size needed at wave 3, we were also in a strong position to run extra waves. See opposite for ideas on reducing attrition rates even further.	We do not recommend over sampling in anticipation of higher attrition rates – especially not for time-based characteristics, such as being in debt. Instead, to reduce attrition, use targeted procedures to encourage select groups to respond. For example, offer an extra incentive and/or different messaging. For more, see *Research references*: Lynn (2017).
Certain sample groups attrite more than others We find fewer younger respondents and participants with less debt or financial difficulties in subsequent survey waves. In waves 2 and 3, respondents are significantly older and, in wave 3, more likely to have deeper debt problems. See earlier: Methodological results, 'Attrition bias'.	Look to make the survey appealing to those whose financial situation may have improved. Emphasise the value in continuing the survey and how the participant's contribution will help others, even if that individual is no longer in debt. Combine this with the use of incentives (see 'Engaging and incentivising participants', above).
Attrition is not systematic or problematic in gaining insights We are still able to make fair comparisons between the treatment and control groups. As touched on above, we can be confident that differences in outcomes are the result of the treatment, rather than an artefact of differential attrition.	

45 In a recent trial, the ONS found unconditional incentives to be more effective than conditional incentives. See: https://ukdataservice.ac.uk/media/622975/hargreaves.pdf.

Learnings	Recommendations
Operational learnings	
Additional levels of consent are needed from the outset Running a longitudinal survey is a complex, uncommon challenge. Even experienced research agencies can trip up on securing robust, participant consents to be re-contacted. Trying to re-contact participants later for permission is ineffective. In our experience, following agency efforts to address errors, there is a 30% success rate at best.	Put clear agreements in place for collecting accurate and fully accessible contact details. Consents should cover participants being recontacted for future surveys by existing and potentially different agencies, and for the encouragement intervention (treatment group). Due to the large sample sizes required, surveys will most likely rely on different panel providers. Due diligence is also required to check sharing agreements with such providers and the transfer of contact information.
Quality control, data protection and enough time are all essential Even the basics, such as addressing a communication to the right person, can go wrong when there are multiple combinations of elements. Errors can have implications for the survey's success, the budget and participants' data protection rights.	Processes need to be watertight, with checks in place and robust tests for complex activities, such as sending out personalised batches of communications. It's important to establish adequate approval processes between all parties and allow enough time to put these in place and test them, especially when using third parties.
Involve partners closely and build relationships This will help reduce the risk of misunderstandings and errors occurring.	Invest time and care when working with partners and providers. Make them part of the process at the earliest stage possible, so they're able to commit the necessary resources at the right time and have ownership of the survey too. Ensure you're working with decision-makers, empowered to act on your requirements and requests.
Follow-up surveys should give participants options We found that survey participants who could not do the face-to-face survey there and then opted to complete this at a later time online.	Use two modes: face-to-face and online surveys. Start with the online mode and, after a short period, run the face-to face-survey, keeping the online mode open as an option where needed.
Track and keep in touch with participants Given the survey's length, it's worth exploiting opportunities outside of our PLS design to track participants, and consider how best to keep in touch with them. Given that over-indebted people may move home over the duration of a longitudinal study, we asked our participants to tell us if this was likely and when, so we could keep their contact details up to date.	Collect the following details at recruitment and check them at each wave: email addresses (ideally more than one), telephone numbers (ideally more than one) and the names and contact details of two stable contacts (such as friends or relatives) . Consider getting permission to trace participants through social media channels (such as Facebook, LinkedIn and Twitter). It may also be possible to track respondents using publicly available records (such as Post Office, electoral and phone records available on the internet or through specialist software). Stay in touch with sample members between wave mailings to keep contact details up-to-date.46
Some debt advice studies make use of administrative (management) data There are pros and cons to this approach (not used in our PLS), but the idea is worth exploring. For example, this would avoid the problem of attrition and issue of subjectivity (self-reporting) when asking participants direct questions. However, admin data may come with data protection issues, will rely on what's collected by the organisation at the time and potentially only cover background information.	If this is of interest, take a look at studies that make use of administrative data to track debt advice outcomes. On using credit records, see Elliehausen, (2003 and 2007). On using debt management plan records, see O'Neill et al (2005 and 2006) and Xiao and Wu (2008). Make sure that both the treatment and control group are affected equally, as being aware of being monitored may impact behaviour and bias a sample otherwise.

46 The Wealth and Assets Survey conducts their keeping in touch activity via telephone to collect information about household members and confirm or update contact details, providing an early opportunity to identify movers (ONS, 2012).

Next steps

The PLS provides solid evidence for MaPS to move to a large-scale, longitudinal study on debt advice with some refinements. Before proceeding, we will test our target recommendations to increase the study's efficiency and benefits, notably on ways to improve the encouragement intervention. At the same time, we will invite the debt advice sector – and the wide range of businesses that benefit from this sector's work – to contribute their thoughts and collaborate to ensure the large-scale, longitudinal study happens and is undertaken as effectively as possible.

Big business benefits

	Effective debt advice helps with:
Health sector	Improved mental and physical wellbeing when feeling freer from debt
Employers	Increased productivity, and reduced absenteeism and presenteeism (at work, but unable to fully function) – we know that employees take their money worries to work
Creditors, including energy and utility firms, central government and councils	Improved creditor recovery and more efficient recovery processes

Like to learn more?

See *Research references*: 'The Economic Impact of Debt Advice (2017)'.

Data analysis on debt advice outcomes

This section looks at outcomes using our pilot data, the largest longitudinal dataset so far gathered on debt advice in the UK. Findings should be seen as starting points for further research as the primary objective of our PLS was to test the feasibility of a large-scale longitudinal study.

As we mention under *Methodological results*, 'PLS impact', we find that, when people are encouraged to seek debt advice, they are most likely to approach friends and family for *informal* help, which is detrimental in helping to get out of debt. They do not seek *formal* advice from approved organisations, which will help with debt management strategies.

☆ More on the techniques and results

In this section, where you see the star icon and would like further information, see Research references (at the back of this report) for a link to: 'Investigating the role of debt advice: An encouragement study on a new sample of over-indebted people in Britain'.

Effects of receiving the encouragement

☆ Using a randomised encouragement design, we see that our encouragement has the effect of encouraging informal advice seeking (such as asking friends for help).

We find limited effects of the encouragement on the probability that respondents adopted debt management strategies suggested by formal advisers (such as maximising income and reducing spending).

Receiving the encouragement makes people focus on paying their existing debt, but not by reducing spending. In fact, spending seems likely to increase, together with the probability of experiencing financial difficulties, (such as not being able to afford basics and being contacted by creditors) and the probability of reporting not being able to organise day-to-day money. For those who receive the encouragement, they are more likely to seek informal help than those who do not receive it.

Why informal help doesn't help

While our data is only suggestive of the reasons, these results make sense with the reality of receiving non-professional, low-quality advice that does not develop people's skills and knowledge to tackle the structural reasons for being in debt. Given these similar results, it is likely that the effect of receiving the encouragement is driven by the effect of seeking informal debt advice.

Financial circumstances and capabilities

Receiving the encouragement, **decreases** the probability that respondents report:

- sticking to a spending plan;
- trying to save money by shopping around and switching supplies always or often;
- planning ahead always or often.

It **increases** the probability that respondents report:

- having financial difficulties with affording the basics in life;
- dealing with creditors;
- being contacted by creditors;
- adopting spending reduction strategies less often.

It **reduces** a self-reported ability to:

- manage day-to-day money;
- follow a household monthly budget;
- organise day-to-day spending;
- save for a rainy day.

Wellbeing and health

Interestingly, despite the above findings, when asking participants about their wellbeing (using standardised questions), those who receive the encouragement express a feeling of increased wellbeing, especially when asked more than a year after the encouragement. There is clearly a sense of relief, even though effective strategies to tackle debt are not adopted.

Receiving the encouragement increases the score for a worthwhile life, the happiness score, and the positive wellbeing index score by at least 0.63, 0.45 and 0.59 points, respectively.

Possible outcomes when seeking formal debt help

☆ As the encouragement did not increase the probability of seeking formal debt advice, we cannot use the randomised encouragement design to assess the effects of this advice. However, we can still use our PLS to compare the outcomes at wave 2:

- of those seeking formal debt advice between waves 1 and 2; and
- of those seeking advice between waves 2 and 3.

At wave 2, the former have already sought formal debt advice, while the latter haven't. This means the latter can be used as a comparison group for the former.

Unlike randomised methods, this technique does not ensure the full comparability between the treatment and control group. Results are suggestive, with further experimental evidence on the effects of seeking formal debt advice needed.

Our results suggest that there is a negative selection into formal debt advice: people who do seek debt advice are those who experience financial difficulties and struggle to keep up with bills and credit commitments. However, we find that formal debt advice is likely to mitigate, and possibly counteract these difficulties.

We find suggestive evidence that formal debt advice:

- **increases** the probability of adopting strategies to reduce spending;
- **decreases** the probability of being turned down for credit;
- **increases** knowledge and understanding of the steps needed to get out of debt;
- **leads to a better**, self-reported financial situation, wellbeing and even physical health.

Financial circumstances and capabilities

Being behind with bills

Overall, our results show a positive association between being behind with bills and seeking formal debt advice. However, we also find evidence that these results may be due to endogenous selection.

Experiencing financial difficulties

Our results suggest that people wait to seek debt advice until they experience a significant negative event. Such events (notably, having a mobile phone cut off, not being able to afford basics, receiving a court summons, and having a credit card declined) may trigger a request for help.

Worrying

Looking at worries in general (about relationships, physical and mental health, legal issues and work) and those related to housing, our results largely confirm that people who worry more, are more likely to seek formal debt advice.

Managing debt

☆ Overall, seeking formal debt advice is associated with adopting more active debt management activities, including setting up repayment or debt management plans or getting debts written off. However, results suggest that people who seek formal debt advice, are already more likely to adopt active debt-management strategies, meaning the results may be at least partially driven by selection.

Other studies report reductions in debt burden following formal advice.[47]

Reducing spending

☆ We find that formal debt advice is associated with an increase in the number of reducing-spending strategies adopted, including planning ahead, making savings by shopping around or switching suppliers, cutting back on spending and planning ahead for household bills and other expenses. These findings are unlikely to be driven by selection.

While we have evidence that people who find it difficult to reduce their spending select into formal debt advice, such advice seems to have the effect of incentivising the take up of strategies to reduce spending. Other studies indicate that debt advice has a positive effect on the ability to make ends meet.[48]

Self-reported financial outlook, attitudes to debt and understanding

☆ Our results also suggest that seeking formal debt advice improves self-reported financial outlook and attitudes to debt. For example, people who seek advice are more likely to report a better financial situation than six months before, and more likely to feel in control of their finances. People also report that the level of debt feels manageable and they know who to contact if they have a debt problem. We see all the indicators of understanding the steps to get out of debt. None of these results seem driven by endogenous selection into debt advice.

47 Elliehausen et al (2003 and 2007); Staten and Barron (2006); Pleasance and Balmer (2007); and Orton (2010).
48 Elliehausen (2007); Williams and Sansom (2007); Day et al (2008); Toynbee Hall (2011); Orton (2010); Stamp (2011); Collard et al (2012); and Optimisa (2013).

Wellbeing and health

For wellbeing, we find that seeking formal debt advice is positively correlated with indicators of satisfaction, happiness and having a worthwhile life, and negatively correlated with the indicator of anxiety. We see evidence suggesting positive effects of formal debt advice on wellbeing and health, partially masked by the fact that people with lower wellbeing or worse health are more likely to seek formal debt advice. Other studies suggest that positive mental health outcomes are seen quickly having talked about debt problems, either to professionals or informally with friends and family.[49]

Other studies on debt advice roles and outcomes

Our literature review highlights areas worth considering for future studies and data collection, helping to improve the measure of outcomes when receiving debt advice.

The most common roles impacting on outcomes seem to be:

- through the provision of information;[50]
- providing emotional support through listening;[51]
- assistance in dealing with creditors.[52]

A few studies have explored how debt advice outcomes vary by client profile, including socio-demographic characteristics and the severity and nature of debt problems.[53] It seems that debt advice outcomes are similar where the service matches the customer's capability, attitudes, and needs. Investigating this outcome further, would be a useful area for future longitudinal studies on debt advice.

49 Pleasance and Balmer (2007); Turley and White (2007); Williams and Sansom (2007); Day et al (2008); Smith and Patel (2008); Fitch et al (2009); Orton (2010); Toynbee Hall (2011); Collard et al (2012); Debt Resolution Forum (2013); and Optimisa (2013). However, it is hard to disentangle cause and effect in the interplay between debt and mental health issues (Rahim and Arthur, 2012).
50 Orton (2010); YouGov (2012); Rahim and Arthur (2012); Turley & White (2007); and Collard et al (2012).
51 Turley and White (2007); and Orton (2010).
52 Debt Resolution Forum (2013); Orton (2010); and Rahim and Arthur (2012).
53 Staten and Barron (2006); Elliehausen et al (2007); YouGov (2012) and Optimisa (2013).

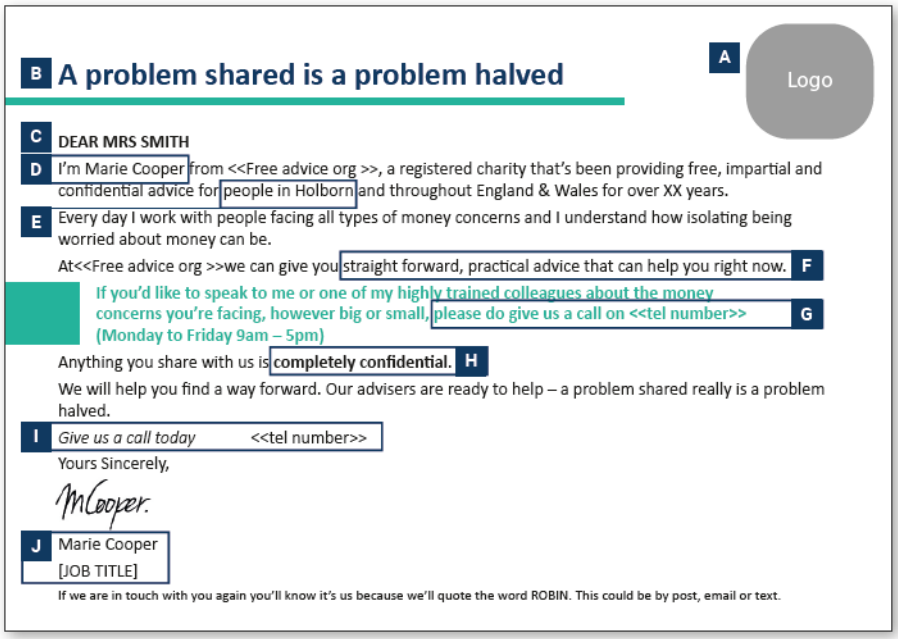
Supporting materials

In this section, you will find example communications for our encouragement intervention and the key behavioural science techniques used.

Rather than being templates, our materials are starting points for future longitudinal studies. We have also added our ideas for improving these, as our encouragement did not have the desired effect of people seeking formal debt advice.

Encouragement intervention: Direct mail letter

We sent mailers of multiple combinations. Some carried the Citizens Advice logo, while others featured the MAS (now MaPS) logo and came from a specific person in the organisation. We applied personalisation to all materials, including using the respondent's name and incorporating words such as 'you' or 'your'.



B **A problem shared is a problem halved**

A Logo

C **DEAR MRS SMITH**

D I'm Marie Cooper from <<Free advice org >>, a registered charity that's been providing free, impartial and confidential advice for people in Holborn and throughout England & Wales for over XX years.

E Every day I work with people facing all types of money concerns and I understand how isolating being worried about money can be.

At<<Free advice org >>we can give you straight forward, practical advice that can help you right now. F

If you'd like to speak to me or one of my highly trained colleagues about the money concerns you're facing, however big or small, please do give us a call on <<tel number>> G (Monday to Friday 9am – 5pm)

Anything you share with us is **completely confidential.** H

We will help you find a way forward. Our advisers are ready to help – a problem shared really is a problem halved.

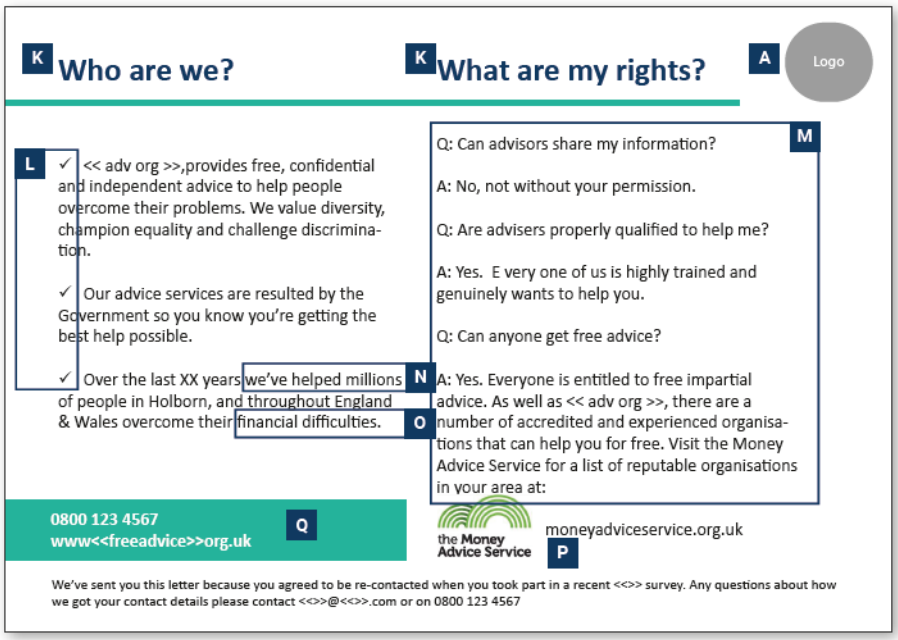
I *Give us a call today* <<tel number>>

Yours Sincerely,

MCooper

J Marie Cooper
[JOB TITLE]

If we are in touch with you again you'll know it's us because we'll quote the word ROBIN. This could be by post, email or text.



K **Who are we?**

K **What are my rights?**

A Logo

L ✓ << adv org >>,provides free, confidential and independent advice to help people overcome their problems. We value diversity, champion equality and challenge discrimination.

✓ Our advice services are resulted by the Government so you know you're getting the best help possible.

✓ Over the last XX years we've helped millions N of people in Holborn, and throughout England & Wales overcome their financial difficulties. O

M
Q: Can advisors share my information?

A: No, not without your permission.

Q: Are advisers properly qualified to help me?

A: Yes. E very one of us is highly trained and genuinely wants to help you.

Q: Can anyone get free advice?

A: Yes. Everyone is entitled to free impartial advice. As well as << adv org >>, there are a number of accredited and experienced organisations that can help you for free. Visit the Money Advice Service for a list of reputable organisations in your area at:

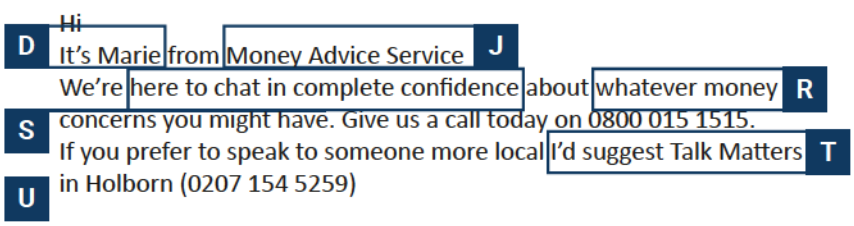
0800 123 4567
www<<freeadvice>>org.uk Q

the Money Advice Service moneyadviceservice.org.uk P

We've sent you this letter because you agreed to be re-contacted when you took part in a recent <<>> survey. Any questions about how we got your contact details please contact <<>>@<<>>.com or on 0800 123 4567

- **A** Salience, cognitive fluency and messenger effect
- **B** Cognitive fluency; affect priming
- **C** Ego & salience: personalisation
- **D** Affect: Trust and personalisation
- **E** Social norm: localisation
- **F** Hyperbolic discounting
- **G** Personalisation & Choice overload (Perceived control)
- **H** Ego threat
- **I** Choice overload
- **J** Messenger effect
- **K** Cognitive fluency & salience
- **L** Salience & priming (positive attributes)
- **M** Salience & priming (positive attributes)
- **N** Social norm
- **O** Ostrich effect (overcoming it by avoiding use of 'debt'
- **P** Cognitive fluency & salience: icons
- **Q** Cognitive fluency & salience

Encouragement intervention: Text message



R Choice overload (reduce cognitive effort required to determine whether they qualify or not)

S Salience (demonstrate relevance) & confirmation bias (overcome addressing concerns of service)

T Reciprocity

U Cognitive fluency (short, simple, relevant)

Key to behavioural bias and techniques used

Choice overload: When presented with too many choices or courses of action, people will often suffer from inaction (taking the default option).

Cognitive fluency: The ease or difficulty in digesting the information's meaning.

Confirmation bias: People dismiss information that is inconsistent with their pre-existing views.

Ego: People are very attuned to the differences between personal and commercial communication and are far more likely to engage in the former.

Ego threat: This is a barrier to our bias to behave in ways that make us feel good about ourselves and which promote a positive self-image; the fear of judgement from social networks can impede people's motivation to seek advice.

Hyperbolic discounting: People tend to choose smaller rewards sooner over large rewards later.

Messenger effect: People attribute more attention and value to information which is conveyed through an authoritative, likeable, and relevant figure.

The ostrich effect: People tend to avoid exposing themselves to information that they fear will cause them psychological discomfort.

Reciprocity: People tend to respond an action with another equivalent action.

Salience bias: People focus on information or objects that are more noticeable first and tend to ignore those that aren't so obvious.

Social norms: People are more likely to engage in behaviours when they know that other people are doing them.

Proactive call guidelines

Proactive calls formed part of our encouragement intervention. This is our latest version of our guidelines for making the opening call.

We included suggested wording for the proactive calls, which should be adapted as needed. Our debt advice innovation learnings show that a conversational tone was more effective on creating a personal and engaging touch, compared with having a set script. These pointers were revised during our PLS to address the fact that respondents picking up the phone look to opt out, or say they were no longer in financial difficulty, rather than be transferred to a third party for debt advice. After ending the call, the agent would fill in a form recording the nudges used, embedding the habit of applying these nudges.

Good Morning/Afternoon/Evening
Following a recent survey, I was hoping to speak to [name] who asked for a call back?

If customer says No, say:

Thank you. Is there a better time to call back to speak with [customer name]?
End the call and do not divulge any information on the survey and reason for the call.

If necessary: *We sent you a text message or email a couple of days ago with the keyword* ***robin****.*

If customer says Yes, say:

Great, thanks. I am calling from [Organisation]. In the last couple of months, you mentioned in a survey that you might benefit from some ***free impartial financial advice****. Every day we help people across the UK with practical solutions to their money concerns. Is this something you are happy to go through today?* (Wait for the customer's response before proceeding).

If customer says No, say:

That's OK [Customer's name].
Thank you for your time talking to me today.

Give extra information if the customer is not sure which survey you are referring to: *You completed a survey online with MySurvey between the end of January and February this year.*

If customer says Yes, say:

Thank you for confirming. Just before we proceed with the call, I would like to inform you that all our calls are recorded for quality and training purposes. Are you happy for me to proceed?

If customer says No, say:

That's OK. Thank you for your time in talking to me today. If you require any additional advice or support in the future, please feel free to call us and we will be happy to help. [Offer our contact number]. Have a good day / evening / weekend.

If customer says Yes, say:

Thank you [customer name]. Can you briefly tell me about your financial situation?

Reassure the customer and continue...

Information underlined is what needs to be given to customers, so that they are aware where their details are coming from. Our PLS respondents were asked to explicitly agree to a call to get debt advice.

Ideas to improve encouragement interventions

1. Avoid people seeking informal help

Pre-empt people's tendency to seek informal help with their debt problems from friends and family by including a message on why this is detrimental, perhaps supported by a shock statistic. For example, asking friends and family for debt guidance means a 40% greater chance of not being able to afford life's basics.

2. Be clear on what formal debt advice means

Promote the benefits quickly.

3. Have a prompt word

When recruiting, provide a memorable prompt word and use it when re-contacting participants. This helps reassure over-indebted respondents, who can be reluctant to answer calls, that it's you when you get back in touch.

4. Collect information at recruitment

Standard information should include address, email addresses (two, ideally), and telephone numbers (mobile and landline, if available, or other). Also ask if you can contact participants by social networks, such as Facebook.

5. Reduce lag times

Keep the lag time between recruiting participants and implementing the encouragement as short as possible; ideally at the end of the survey or shortly afterwards. Where it's not possible to immediately refer participants, book in a time to receive a debt advice service call or point to a webpage designed to get individuals into advice after asking some questions. See for example: moneyhelper.org.uk/en/money-troubles/dealing-with-debt/debt-advice-locator.html

6. Use bold, consistent mailings

Such as the same brightly coloured envelope.

Survey tables

Profile of control and treatment groups by recruitment source

	Face-to-face omnibus		Online omnibus		Online ad hoc survey	
Advice history	Control group	Treatment group	Control group	Treatment group	Control group	Treatment group
Previously sought debt advice	96	101	96	89	180	183
	40.7%	41.9%	40.9%	38.4%	35.6%	37.2%
Open to seeking debt advice / Don't know	61	72	84	94	200	203
	25.8%	29.9%	35.7%	40.5%	39.5%	41.3%
Not open to seeking debt advice	79	68	55	49	125	106
	33.5%	28.2%	23.4%	21.1%	24.8%	21.5%
Level of debt						
Don't know / Refused	27	27	16	17	43	38
	11.4%	11.2%	76.8%	7.3%	8.5%	7.7%
Not currently owe anything	89	84	41	35	76	64
	37.7%	34.9%	17.4%	15.1%	15.0%	13.0%
Up to £2,500	68	77	73	77	178	175
	28.8%	32.0%	31.1%	33.2%	35.2%	35.6%
More than £2,500	52	53	105	103	208	215
	22.0%	22.0%	44.7%	44.4%	41.2%	43.7%
Length of time over-indebted						
Up to one year	128	135	105	1114	278	273
	54.2%	56.0%	44.7%	49.1%	55.0%	55.5%
More than one year	108	106	130	118	227	219
	45.8%	44.0%	55.3%	50.9%	45.0%	44.5%
Type of over-indebtedness						
Finds keeping up with financial commitments a heavy burden (only)	109	97	114	102	206	187
	46.2%	40.2%	48.5%	44.0%	40.8%	38.0%
Fallen behind/missed payments (only)	81	87	71	78	188	185
	34.3%	36.1%	30.2%	33.6%	37.2%	37.6%
Both finds keeping up with financial commitments a heavy burden and fallen behind/missed payments	46	57	50	52	111	120
	19.5%	23.7%	21.3%	22.4%	22.0%	24.4%
Base	***236***	***241***	***235***	***232***	***505***	***492***

Natural shortfall of control and treatment groups on specific demographics

	Control group	Treatment group	Total
Gender			
Male	354	341	695
	36.3%	35.4%	35.8%
Female	620	621	1241
	63.6%	64.4%	64.0%
Refused/other	1	2	3
	0.1%	0.2%	0.2%
Age			
24 or less	95	86	181
	9.7%	8.9%	9.3%
25-34	238	240	478
	24.4%	24.9%	24.7%
35-44	231	233	464
	23.7%	24.2%	23.9%
45-54	233	238	471
	23.9%	24.7%	24.3%
55-64	119	109	228
	12.2%	11.3%	11.8%
65 or more	56	50	106
	5.7%	5.2%	5.5%
Refused	3	8	11
	0.3%	0.8%	0.6%
Base	***975***	***964***	***1,939***

	Control group	Treatment group	Total
Working status	Treatment group	Control group	Treatment group
Working full-time	394	365	759
	40.4%	37.9%	39.1%
Working part-time	181	192	373
	18.6%	19.9%	19.2%
Not working	400	407	807
	41.0%	42.2%	41.6%
Region			
North	249	209	458
	25.5%	21.7%	23.6%
Midlands	156	165	321
	16.0%	17.1%	16.6%
East of England	86	113	199
	8.8%	11.7%	10.3%
London	129	127	256
	13.2%	13.2%	13.2%
South	217	212	429
	22.3%	22.0%	22.1%
Wales	46	54	100
	4.7%	5.6%	5.2%
Scotland	92	84	176
	9.4%	8.7%	9.1%
Base	***975***	***964***	***1,939***

Stratification variables used for treatment/control group allocation

Variable	Categories
Advice history	1. Previously sought debt advice 2. Open to seeking debt advice / Don't know 3. Not open to seeking debt advice
Level of debt	1. Don't know / Refused 2. Not currently owe anything 3. Up to £2,500 4. More than £2,500
Type of over-indebtedness	1. Up to one year 2. More than one year
Type of over-indebtedness	1. Finds keeping up with financial commitments a heavy burden (but not fallen behind/missed payments) 2. Fallen behind/missed payments (but not finds keeping up with financial commitments a heavy burden) 3. Both finds keeping up with financial commitments a heavy burden and fallen behind/missed payments

Over-indebted questions

To what extent do you feel that keeping up with your bills and credit commitments is a burden?

1. It is not a burden at all
2. It is somewhat a burden
3. It is a heavy burden
4. I don't know

In the last 6 months, have you (and your partner) fallen behind on, or missed, any payments for credit commitments or domestic bills for any 3 or more months? These 3 months don't necessarily have to be consecutive months.

1. Yes
2. No
3. I don't know

Research references

Five reports are available in full covering our PLS design, implementation and evaluation, and analysis of our pilot data on debt advice outcomes. We have also included an abridged bibliography, which includes relevant other debt advice studies.

Debt advice: A scoping study for measuring outcomes (April 2016)

A targeted literature review for MAS (now MaPS) by the Personal Finance Research Centre, University of Bristol. The report explores options and recommendations for the most optimal research methodology, and a timeframe for a longitudinal evaluation of debt advice outcomes. It includes the limited current evidence on outcomes at the time of publication.

Link: https://maps.org.uk/wp-content/uploads/2022/09/Debt-advice-A-scoping-study-for-measuring-outcomes.pdf

Longitudinal study of debt advice, Wave 1 technical report (May 2021)

A report commissioned by MAS (now MaPS) from Kantar Public research agency on the development stage to test the PLS and survey instruments, and develop key design parameters. The report covers wave 1 fieldwork (September 2016–February 2017) and the randomised experimental allocation. It includes detailed information on the design and implementation of our encouragement intervention, as well as an early review of it.

Link: https://maps.org.uk/wp-content/uploads/2022/09/Longitudinal-study-of-debt-advice-Wave-1-technical-report.pdf

Methodological lessons from the pilot longitudinal survey on debt advice (April 2021)

A report commissioned by MAS (now MaPS) from the Institute for Social and Economic Research (ISER), University of Essex, and the London School of Economics and Political Science. The paper addresses key methodological questions, including on our PLS design, sample sizes and eligibility, attrition and response rates.

Link: https://www.iser.essex.ac.uk/research/publications/working-papers/iser/2021-03

Investigating the role of debt advice on borrowers' well-being. An encouragement study on a new sample of over-indebted people in Britain (October 2021)

A paper commissioned by MaPS from ISER, University of Essex. Analysing our pilot data, this research looks at the impact of our encouragement intervention. It adds to the shortage of understanding on the outcomes of seeking debt advice.

Link: https://www.iser.essex.ac.uk/research/publications/547028

The effect of formal debt advice: insights from a new longitudinal study in Britain (October 2021)

A paper commissioned by MaPS from ISER, University of Essex. Using our PLS data, this research explores how formal debt advice can help people with their financial situation, financial capabilities and wellbeing.

Link: https://www.iser.essex.ac.uk/research/publications/547029

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Get in touch for more

We have learned a great deal over this study that won't all fit in this summary report.

If you have any questions about our pilot longitudinal survey on debt advice (PLS), or are interested in running similar research, please get in touch. We're always keen to share what we know, and the resources we've developed, if it can help you to help people get out of problem debt.

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