Improving financial wellbeing through the debt advice journey

Money and Pensions Service

November 2020

Funded by

Contents

Foreword

People who seek out debt advice often have financial wants and needs that go beyond simply resolving urgent debt problems. Customers often also express a desire to get better with their finances to feel more empowered, confident and capable in managing their money. We know customers don't particularly delineate between a financial capability and debt advice service and it remains a core ambition of MaPS to create more holistic services to ensure we're meeting people's needs as well as possible - as we have set out in the better debt advice agenda for change in the UK Strategy for Financial Wellbeing.

The debt advice sector is highly motivated to strengthen its positive impact for the customers it serves and considering how to incorporate developments in their customers' financial capability is a great opportunity to do that.

However, there are challenges to making this effective and economical which is why we are delighted to have carried out this research project with Christians Against Poverty, Money Advice Trust and Pennysmart who are tackling these challenges. Each organisation has adopted different approaches considering their unique customer demographics, needs and delivery channel preferences and our three key learnings are:

- Tailoring support to the needs of the customer rather than adopting a one-size-fits-all approach is key. Each customer presents with different circumstances and desires as to what they would like to change and improve in their financial capabilities. This requires careful service design to ensure that there is a suite of tools, services and resources that can be integrated into the journey according to each customer's unique set of desires and needs.

- Debt advice is an intense process and it is difficult to find ways to insert any more content or change. Customers, especially those in vulnerable circumstances, only have so much capacity to engage with their adviser and the relevant actions within a single interaction. However, by embracing the debt advice process as a journey it is possible to break this down into more manageable steps and create different opportunities for the customers to make these developments at the best time. Use of different channels and methods to engage customers were effective; online resources for example being a useful approach.

- A customer's ability to engage with their creditors holds a key relationship with their confidence. When customers first present for debt advice they may have multiple debts and the idea of engaging directly with creditors can feel overwhelming. Once again adopting a tailored approach is likely to be most effective. We noted there may be opportunities for customers to feel more informed and empowered when communication is being managed on their behalf or alternatively new ways of supporting the customer in making these communications themselves. Equally as debt advice is a journey there may be ways that this can be staged so that as the customer begins there is less ownership of the communication but as they progress into and through a solution there may be greater opportunities to move this ownership back to the client, progressively rebuilding their confidence.

The evaluation was an exercise in shared measurement where each of the organisations go through a similar research process so that the results can be considered both collectively and individually. We started out with five participating organisations but unfortunately two were unable to continue due to unexpected changes in circumstance. As a methodology we believe it gives a more nuanced view on how different service delivery models can tackle the same problem in different ways. We'd like to thank IFF Research for their work in managing this complex project and providing us with this fantastic report.

We'd also like to particularly thank Christians Against Poverty, Money Advice Trust and Pennysmart who have all expressed a great passion to deliver the best services they can for their customers and therefore have been willing to put a critical eye over their services and learn what works, and equally as important, what doesn't.

I hope that this report provides some inspiration and guidance as to how services can be better designed to meet the wider needs of customers.

Craig Simmons

Head of Debt Policy and Strategy

Money and Pensions Service

Improving Financial Wellbeing through the Debt Advice Journey: Key Findings

Pennysmart, CAP and National Debtline offered a slightly different service, tailored to their clients, which is reflected in the relatively different financial starting points of the three client groups at the start of the intervention.

Despite these differences, **all three organisations showed positive results** across a range of outcomes.

Financial capability and debt management outcomes are mutually reinforcing

Improved understanding of financial situation

Increased financial confidence

More in control

Less anxious

More satisfied

Empowerment

More active management of day-to-day finances

Money management and paying debts

Clients were more likely to be **keeping up with household bills or credit payments without any difficulties**

Clients were more likely to have **a plan to pay off or reduce their debts and understand the steps needed to do so**

Unemployed individuals and those **in rented accommodation** had less agency and flexibility to improve their own financial circumstances

Key learnings

⇒ **Multiple appointments** with clients avoids overwhelming them with information

⇒ Delivering advice must be **flexible** - offering clear, tailored advice to help engage clients

⇒ **Support to communicate directly with creditors** is key to boost financial confidence for the long-term

⇒ **Delivering consistent financial capability advice** and advice **on increasing income** are areas of focus for service providers

Money & Pensions Service

IFF Research

1 Executive Summary

The Money and Pensions Service (MaPS) commissioned IFF Research to conduct a robust evaluation of interventions that sought to develop financial capability among clients who were experiencing problem debt. Three integrated debt advice services were evaluated: Pennysmart, Christians Against Poverty (CAP) and the National Debtline, using pre and post research including client surveys and in-depth interviews at the point of first seeking advice, and six months afterwards. A process evaluation was conducted through site visits and staff interviews with the three organisations.

Key findings

All three organisations involved in this evaluation demonstrated positive results for clients across a range of financial capability and debt management outcomes. Similar positive outcomes occurred despite the three organisations offering a slightly different service tailored to their clients, which is reflected in the relatively different starting points of the three client groups. The client survey showed improvements in the extent to which clients had a plan for repaying their debt and the extent to which they understood the steps needed to do so, as well as their ability to keep up with household bills and credit payments and their overall financial wellbeing.

Financial capability and debt management outcomes are mutually reinforcing. Qualitative interviews with clients demonstrated that for many an improved understanding of their finances and of their debt solution led to increased feelings of control and financial confidence. The qualitative interviews also showed that gaining a sense of control over their finances was a significant and empowering turning point for many, which led them to more actively manage their day-to-day finances.

While results overall were largely positive, there were some groups of people who fared better than others. For example, clients who said they recalled receiving financial capability support as part of their interactions with their organisation generally reported better outcomes compared with those who did not recall this element. However, it is not clear whether this group simply had better recall of the service they received or genuinely received more financial capability support.

Overall, the three organisations were successful in tailoring their service to the individuals they work with and ensuring positive outcomes across a wide range of client types. That said, there was evidence that unemployed people and people in rented accommodation had far less agency and flexibility to affect their own financial circumstances.

From a process perspective, key learnings were identified around instilling increased financial capability through integrated advice:

- **Considering the volume of information that the adviser needs to deliver when giving integrated advice, and the amount of time needed to deliver it**, the ability to have multiple appointments or give advice over different contact points is important to avoid overwhelming the client with information. This includes the offer of online resources such as templates, tips and tools which were particularly helpful for some clients in conjunction with receiving support by phone.

- **A flexible approach to delivering financial capability support**, such as explaining things in a way the client can understand and offering advice that is tailored and useful to the individual's circumstances is important in helping clients to engage with financial capability.

- **Being given the reassurance and support to communicate directly with creditors** was also a key element in increasing clients' confidence and ability to tackle debt issues again on their own if needed.

- In terms of service improvements, both the surveys and the qualitative interviews showed that the organisations were generally very active in helping clients to reduce their expenses but there may be more opportunities to help customers increase their income **and this may improve outcomes for clients in the future**.

- Organisations could do more to ensure **advisers provide memorable financial capability support consistently to clients**, as a minority did not recall receiving it and those that did were more likely to report better outcomes across financial wellbeing and confidence speaking to creditors.

In the following report, we explore these findings in more depth: revealing the profile of participants and looking at the impact of the integrated services on both participants and service delivery.

2 Background and Methodology

Background to the evaluation

MaPS is the UK statutory body for improving people's understanding and knowledge of financial matters. It seeks to empower people and give them the ability to manage their own financial affairs, increasing their financial capability.

> "Financial capability is the ability to manage money well – both day-to-day and through significant life events like having a baby, getting divorced or moving home.
>
> Being financially capable means, you have the resilience to handle times when life is financially difficult – like when you lose your job unexpectedly or you can't work due to illness.
>
> But financial capability is more than this. It's also an attitude, that is more than just living for today – it's having the confidence to put your money skills into practice and understanding the value of doing so."

Financial capability support services are geared towards increasing a person's financial confidence and ability in general, helping them to develop the skills and knowledge to promote financial wellbeing. It can include discussions around budgeting, making money go further, shopping habits, everyday savings and income maximisation. It can also address planning an approach for handling bills, key payment dates and banking, among other things.[1]

MaPS is also the largest single funder of debt advice in the UK and has a statutory remit to improve the quality, consistency and availability of these services. It funds debt advice in England only, with governments in the devolved administrations responsible for debt advice funding in Scotland, Wales and Northern Ireland. Debt advice, which is primarily regulated by the Financial Conduct Authority, includes things like debt counselling, debt adjustment, setting clients up with a debt relief order, organising a debt management plan, filing for bankruptcy and other solutions, including those specific to Scotland.

While debt advice tends to focus more narrowly on resolving debt problems, financial capability interventions are typically more wide-ranging and holistic, however there are areas of overlap for example both kinds of support would usually involve looking at individual's income and outgoings and drawing up a budget. Furthermore, although debt advice focuses on the management of debt most advisers recognise the wider needs of customers and may deliver advice with the intention of achieving similar outcomes for the client to financial capability support. Despite their content and objectives often overlapping, debt advice and financial capability support have developed as two distinct disciplines, often delivered by separate adviser organisations, funded through separate funding streams and focusing on different outcomes as well as adhering to different regulatory frameworks.

Previous MaPS research has found that there may be opportunities for debt advice providers to help clients develop skills and knowledge related to financial capability, in order to avoid future problems and therefore reduce their need for these services long-term.2 As a result of this research, MaPS

---

[1] More information about financial capability advice can be found on the Financial Capability Strategy website here: https://www.financial capability.org.uk/en/articles/what-is-financial-capability
[2] Money Advice Service (2017) *Better Debt Advice.*

intended to explore the ways in which debt advice and financial capability interventions might be blended to better meet client need.[3]

In 2018 MaPS commissioned IFF Research to build a picture of the existing scope and shape of integrated debt advice and financial capability support in the UK. The research aimed to assess what evidence currently existed to show the impact of a blended debt and financial capability offering, and how it might improve outcomes for debt clients, ensuring more individuals develop the skills to successfully manage their debt solution and embed the habits that lead to long-term financial resilience.[4]

The report, which combined evidence from an investigative literature review, call for evidence and a series of interviews with expert stakeholders identified a range of delivery models and a selection of examples of integrated debt advice and financial capability support. Some key findings observed included the importance of budgeting for the long term and of providing a 'holistic' approach to clients' needs, which includes debt and financial capability advice but also often several other elements such as emotional support. In terms of evidence standards, it was found that, whilst some of these projects have been well documented and even evaluated, others have developed organically, with little formal evaluation in terms of their purpose, development and successes.

The research observed that few evaluations on this subject have focused specifically on outcomes of this type of integrated service, highlighting the need for further investigation to answer MaPS' and the sector's key questions regarding integrated financial capability and debt advice and the efficacy of the services providing these. As part of the What Works Programme, MaPS commissioned IFF to conduct a robust evaluation of interventions that seek to develop financial capability among debt advice clients, and delivered grants to three debt advice providers to participate in the evaluation and fill in the gaps in the evidence.

Project objectives

The overarching aims of this evaluation were to:

- Ensure that there is a firm foundation on which to share insight, evidence and offer consistent and high-quality guidance to support providers, to shape future service design and delivery of integrated support;
- Help MaPS to understand how it can best support the development of further integrated support by filling evidence gaps and promoting the evidence that already exists.

Underpinning those aims were the more specific research objectives to:

---

https://masassets.blob.core.windows.net/cms/files/000/000/902/original/Better_Debt_Advice_-_from_a_moment_of_crisis_to_a_lifetime_of_resilience.pdf

[3] Money Advice Service (2018) *Evidence review for debt advice commissioning.* *https://masassets.blob.core.windows.net/cms/files/000/000/877/original/MAS0128_Debt_Commissioning_December_2017._v4.pdf*

[4] Money Advice Service (2018), *Financial capability and debt advice, https://masassets.blob.core.windows.net/cms/files/000/001/145/original/Financial_capability_and_debt_advice_report.pdf*

- Deliver an overall evaluation of the funding that builds the evidence base around 'what works' in integrated support, including core elements of delivery, challenges and facilitators and options for further testing;

- Deliver individual evaluations of each intervention/project being delivered by organisations, including measuring and explaining any resulting change in clients' financial capability and providing process and implementation learning to support future delivery.

Background to the participating organisations

Pennysmart Community Interest Company is a small social enterprise based in Flintshire and working across England and parts of North Wales. The company has fewer than 10 employees and around 30 to 40 new users of the service a month. The service is designed to provide advice to often vulnerable individuals (often with health or mental health problems, caring commitments etc; see chapter 4 for more detail on Pennysmart's client group), who are referred to the service primarily by the social housing sector, but also from a variety of other organisations that have service users who struggle with their finances, such as charitable trusts, local authorities and community facing organisations. As a result of Pennysmart's advice, such organisations benefit indirectly.

Pennysmart offer a telephone advice service and casework support, bringing debt advice and financial capability support together. Prior to identifying a debt solution that would help their clients become debt free, they work with their clients to help them regain control of their money (for example by balancing their household budget, helping them manage bill payments and set money aside). By addressing these two needs, the aim is for clients to be less likely to fall back into debt in the future.

The key steps involved are:

- **The 'money health check'**: an initial diagnostic conducted by advisers over the phone in order to build a well-rounded picture of the client's situation, including their backstory, health, employment, mental status, family set-up, banking information, household budget of income and expenditure and debt details, which in turn enables them to identify the source of the problem, any related barriers, and tailor advice accordingly.

- **Summary of advice**: clients are sent a summary of the findings and recommendations from the money health check e.g. actions regarding income maximization, bill reductions, debt options, bank account advice and advice about raising capital. Clients are sent a budgeting tool and other materials such as spending diaries and bill payment schedules.

- **Casework support:** if clients return the required documentation (e.g. consent for Pennysmart to liaise with third parties and the signed budget) they could progress to the casework support phase. This allows Pennysmart to have more of an advocacy type relationship, where they liaise with third parties on the client's behalf (e.g. writing to creditors, setting up a debt relief order, working with support workers, DWP, landlords etc.) and since the digitisation of their telephone systems offer three way phone calls with the client and a third party. Alongside this, the advisers ensure clients are progressing with their actions and are not at risk of getting into further debt.

CAP is a charity with over 700 employees, who work either at the head office in Bradford or through local CAP debt centres across the UK.

CAP offers an intensive debt advice service to individuals who can be especially vulnerable and are likely to be experiencing additional problems such as social isolation, mental health issues or relationship problems. Their offer includes a befriending service and spiritual support along with debt and financial capability advice. Their service model includes the following:

- The client is signposted to the service through their freephone helpline. Most hear about the service through word of mouth, referral partners including creditors, or public bodies.
- A CAP agent (Debt Coach) and befriender (someone who volunteers for the local debt centre and provides support to the client but does not give any debt advice) carries out three home visits. In the first visit the CAP Debt Coach introduces the service, while the second visit is spent gathering information about the individual's financial situation. During the third visit the agent provides the client with a budget which has been drawn up by CAP's debt advisers at their head office. As well as talking the client through the proposed debt solution, the CAP Debt Coach provides face to face support to improve the client's financial capability, including:
  - how to use a budget;
  - how to prioritise their payments and spending appropriately;
  - how to maximise their income;
  - the importance of saving if budgets allow;
  - making financial decisions.
- CAP's head office takes on communication with creditors and provided options for a debt solution which could be an insolvency option or a debt management plan. If the client chooses to, CAP also helps implement their chosen debt solution or, where a route is not clear, support them until a suitable solution is reached. Depending on the debt solution that is put in place, this process can take any length of time between a few months and several years. Over the course of the time that CAP works with a client and develops their confidence to manage their own finances, they will hand the client back responsibility for communicating with creditors one at a time, as and when the client is ready to manage this themselves.
- Some local CAP debt centres also run courses on specific topics such as budgeting skills and employment training in addition to their debt advice service which debt advice clients might have been referred to take part in during the time they were receiving debt advice and completing a debt solution.

National Debtline, delivered by the Money Advice Trust, is a large, national operation that offers independent debt and money management advice through telephone and online service to hundreds of thousands of individuals each year. The National Debtline office is located in Birmingham but services reach individuals across the UK, where clients come to the service online or by telephone on their own accord or following signposting from one of the Trust's partners.

The Maximising Your Money (MYM) program at National Debtline aims to integrate financial capability support and training into the existing telephone debt advice service. National Debtline also aims to integrate this into their webchat service but this evaluation focused only on the telephone service.

The MYM programme seeks to help clients improve their current situation and to equip themselves to deal with future challenges more effectively through:

- Maximising the income available for running their household and generating a surplus in their budget wherever possible;
- Increasing confidence and understanding of how to use their income as effectively as possible, making them more financially resilient against both current and future challenges.

Telephone advisers look to provide financial capability support during or immediately after the completion of a budget with the client, or where completion of a budget is not appropriate, whilst providing advice to help the client deal with their situation. This allows the adviser to tie specific actions to the clients' circumstances or to relevant parts of the budget and to put them in context by showing how much of a difference these actions can make for the client. The remainder of the call can then focus on suitable options to deal with their debts.

Methodology

The evaluation consisted of three stages which are outlined below. We designed a theory-based, mixed-method approach to evaluate the pilot programme. To cope with the differences in intervention design we worked closely with each of the three participating organisations to understand their individual service models and the outcomes they expected to deliver, which informed the research measures used. Methods included quantitative and qualitative elements, to give confidence in the findings and allow us to test for statistical robustness, as well as to explore in detail how the services have been implemented and the full extent of their impact on clients, while taking account of the complexities inherent in clients' lives.

Scoping phase

The scoping phase involved the development of a Theory of Change (ToC) and outcomes framework for each organisation taking part in the research, which was used to develop an evaluation plan for each organisation, in addition to an overarching fund-level evaluation strategy. This process is detailed in Chapter 3. The ToCs and evaluation plans were used throughout this project to ensure the research robustly measured the desired outcomes and impacts of the intervention.

Data collection

To understand and measure the outcomes and impact of delivering integrated financial capability and debt advice, two waves of qualitative and quantitative fieldwork were carried out. The first wave of both strands was carried out at the beginning of the intervention, while the second wave was carried out six months later. Questionnaire and topic guide design for both waves of data collection was informed by the MaPS Debt Advice Outcomes Framework and Financial capability Outcomes Framework (discussed below), and results from baseline research were used to inform additional questions at the follow-up stage.

Quantitative research

The quantitative baseline survey sought to measure the client's emotional wellbeing, level of financial capability, debt situation and outlook on the future at the start of the intervention.

The survey consisted of standardised metrics of financial wellbeing, from MaPS Debt Advice Outcomes Framework and Financial Capability Outcomes Framework covering the way the client handles money, saving, planning and prioritising and dealing with debt, and questions measuring service delivery. The baseline survey formed the basis of the follow-up survey, with additional questions to capture change over time and the impact the advice had on behaviour, as well as satisfaction measures.

Use of MaPS Outcomes Frameworks

The questions asked in the survey were informed by outcomes that the organisations expected to deliver, as identified in the evaluation scoping phase, and the standardised questions from both MaPS' Debt Advice Outcomes Framework[5] and their Adult Outcomes Framework for Financial Capability[6]. The two frameworks were developed separately in relation to the two different advice areas but were combined here to measure both the outcomes of the debt advice elements and financial capability of individuals from the integrated advice received.

Within the Financial Capability Outcomes Framework, MaPS identified a smaller number of metrics called 'Building Blocks' that research showed were key in driving individuals' financial wellbeing and longer-term financial security. Building Block questions are identified throughout this report with the symbol shown to the left. A full list of the survey questions asked and the Outcomes Framework they were sourced from is given in Appendix 8.

The baseline survey was carried out either by telephone or online at the beginning of the intervention, at slightly different time points per organisation:

- **Pennysmart** – clients willing to participate completed the baseline survey with the adviser on their first telephone call with the organisation.
- **CAP** – clients were asked to complete the survey before their first visit from CAP, and if they had not completed it by this stage were prompted by the adviser during the visit.

[5] For more information see: https://www.moneyadviceservice.org.uk/en/corporate/debt-advice-evaluation-toolkit
[6] For more information see: https://www.financial capability.org.uk/en/articles/adults-outcomes-framework

- **National Debtline** – clients agreed to take part in their first call with the service and were subsequently contacted to complete the survey.[7]

The follow-up survey was carried out six months after the baseline, again either by telephone or online (the follow-up research was carried out in cohorts depending on when the client first took the baseline survey). Both surveys lasted approximately 15 minutes. The method of data collection (telephone or online) was decided in discussion with the organisation, based on the suitability of their client profile to maximise response rate. As sample attrition from baseline to follow-up was observed, the option of taking part either over the telephone or online was offered to respondents at follow-up to boost responses. Table 2.1 shows fieldwork dates, method of data collection and number of interviews achieved per organisation for the quantitative data collection stages.

Table 2.1 Fieldwork dates and number of interviews achieved – quantitative data collection

Stage	Fieldwork dates	Interviews achieved			
		Pennysmart	CAP	National Debtline	Total
Baseline quantitative survey	8th July 2019 – 31st January 2020[8]	Telephone[9]	Online	Telephone	475
		101	148	226	
		54% response rate	15% response rate	37% response rate	
Follow up quantitative survey	14th January 2020 – 27th May 2020	Telephone and online	Telephone and online	Telephone and online	237
		52	88	97	
		54% response rate	64% response rate	46% response rate	

Qualitative research

In-depth qualitative interviews were carried out over telephone to explore in-depth how the clients' financial situation had changed and what role the intervention had played in these changes. As with the quantitative research, interviews were carried out at the start of the intervention and again six months later. Both interviews lasted approximately 45 minutes. The follow-up interviews consisted primarily of participants from the baseline interviews (longitudinal sample) but in order to achieve the desired number of interviews, the sample was topped up with respondents who had taken part in the baseline quantitative research and consented to recontact (cross-sectional sample). Table 2.2 shows fieldwork dates and interviews achieved per organisation for the qualitative data collection.

---

[7] Due to a short time lapse between clients having their first call with National Debtline and then taking part in the baseline survey, where appropriate questions were phrased retrospectively to ensure the client responded based on their experiences at the point of the first call with National Debtline.
[8] Fieldwork was extended for Pennysmart in order to maximise base size.
[9] To maximise response rates, the baseline survey was administered over the telephone by Pennysmart advisers during the client's first call with the organisation. This was to maximise response rate among this more vulnerable and potentially difficult to reach group.

Table 2.2 Fieldwork dates and number of interviews achieved – qualitative data collection

Stage	Fieldwork dates	Interviews achieved			
		Pennysmart	CAP	National Debtline	Total
Baseline qualitative interview	25th September 2019 – 1st November 2019	10	10	10	30
Follow up qualitative interview	26th March 2020 – 6th May 2020	10 6 longitudinal, 4 cross-sectional	10 8 longitudinal, 2 cross-sectional	15[10] 5 longitudinal, 10 cross-sectional	35

Process evaluation

This stage involved a combination of questions in the quantitative survey about engagement, whether the organisation provided clients with what they wanted and whether they would recommend the service to others, detail from the qualitative interviews about what was helpful about the service and possible improvements, and face to face qualitative interviews or small focus groups with strategic and frontline staff of each advice organisation. These interviews were conducted at their premises and explored their experiences of delivering integrated financial capability support and debt advice, to understand what worked well and less well when delivering the intervention. This allowed for a deeper understanding of the differences between the interventions the organisation offers, the processes behind the advice delivery and the key drivers of experiences, outcomes and impacts of the service. Table 2.3 shows fieldwork dates and interviews/focus groups achieved per organisation for the qualitative data collection.

Table 2.3 Site visit data collection

Stage	Fieldwork dates	Interviews achieved			
		Pennysmart	CAP	National Debtline	Total
Site visit data collection	8th November 2019 – 12th December 2019	3x F2F interviews	2x F2F interviews, 1x focus group	3x focus groups	9 interviews/ focus groups

Sampling and weighting

Access to the sample of clients was provided by each organisation. The sample of clients that took part in the baseline survey and agreed to recontact then formed the sample for the qualitative interviews and the follow-up survey.

The initial samples were recruited as follows:

10 It was noticed during the baseline qualitative interviews that due to the nature of National Debtline's services, a small number of these clients had only required advice on one or two occasions, for short-term problems such as help with an unexpected bill. To capture an adequate number of longitudinal journeys, 5 further interviews were conducted with National Debtline clients.

- **Pennysmart** – all new clients to the service within the baseline fieldwork phase who agreed to take part were eligible to take part in the research.
- **CAP** – an email was sent to all new clients referred to the service during the baseline fieldwork phase, after their referral and before their first home visit, to introduce the objectives of the research and provide information about taking part. Clients who agreed to be contacted formed the CAP sample for the research.
- **National Debtline** – the National Debtline sample consisted of all callers to the service within the baseline fieldwork phase who agreed to be contacted to take part in the research.

Survey responses were weighted per organisation to their client population to ensure the validity of the sample. Table 2.4 shows the variables weighted for per organisation. Weighting caveats are considered in the at the end of this chapter. The variables depended on what client data each organisation collected and the extent to which the metrics used by the organisation matched those used in the survey. The profile of the achieved sample for each organisation was compared to their population data and in cases of discrepancies, weighting was applied.

CAP's client group typically includes a high proportion of clients who are non-digital users compared to the national average, with a 2017 report[11] indicating 22 per cent did not have online access. In order to minimise burden to clients when first engaging with CAP's service the baseline survey was conducted online with email invitation. Therefore, findings detailed in this report are only reflective of CAP's clients who are digital users, and data was weighted to their digital user client profile.

Table 2.4 Variables weighted by per organisation

Organisation	Demographic					
	Employment status	Housing	Mental health	Gender	Age	Ethnicity
Pennysmart	Yes	No	No	Yes	Yes	No
National Debtline	Yes	Yes	Yes	Yes	Yes	Yes
CAP	No	No	No	No	Yes	No

Analysis and reporting

Quantitative analysis

Subgroup differences have been tested for statistical significance and only those that are significant are reported on here (unless specifically indicated otherwise). Due to the low base sizes of each individual organisation, subgroup differences are considered at an overall level, across all organisations. In these cases, an even weight was applied to the overall data to ensure each organisation is represented equally. Subgroup differences are also considered at an organisational level where base sizes allow – these are reported all together at the end of each section.

[11] https://capuk.org/connect/policy-and-government/offline-and-shut-out

Effect size analysis was also conducted using Cohen's D on key survey results and can be found in Appendix 10. Most findings had a moderate effect size (between 0.2 and 0.8) although there was some variety within the moderate range which is commented on throughout the report. Statistically significant differences are only reported on if they had a moderate effect size of above 0.2 unless otherwise stated.

We report on data from clients who completed both the baseline and the follow up surveys (see Table 2.1). Findings are reported by organisation. The profile of clients who completed both surveys were compared across key demographics to check for attrition bias and data was weighted to population figures for each organisation (as described above) to ensure findings were representative of the client group.

An additional question was added to the follow-up survey during the follow-up fieldwork period to check whether clients recalled receiving financial capability support[12] as qualitative findings suggested that a minority of clients could not remember receiving any elements of this type of advice. Differences in outcomes by those who did and did not recall receiving financial capability advice are included throughout this report.

Qualitative analysis

Qualitative analysis is intended to understand individuals' circumstances, attitudes and behaviour in depth, rather than to be 'representative' or measure the incidence rate of attitudes and behaviours among clients.

Qualitative interviews were recorded with the respondents' permission, which allowed the research team to revisit the interviews, write notes and analyse the content. Key themes and quotations were pulled out and entered into an excel-based analysis framework (see appendices) built specifically for the project. The framework allowed the research team at IFF to analyse the data by organisation, client type, advice received and outcomes. Thorough analysis sessions took place among the research team to consider emerging patterns and links were made with the quantitative findings where appropriate. Interviews were analysed both at organisation level and at an overall level to consider subgroup differences.

Reporting Caveats

As the evaluation was carried out with different advice interventions and very different types of clients it was necessary to adapt methodologies to make them suitable for different audiences or to respond to changes in circumstances. The main reporting caveats are as follows:

- **Differing interviewing modes:** It was intended that all baseline surveys would be conducted online, which was the case for CAP clients. However, Pennysmart clients completed the survey over the phone, facilitated by a Pennysmart administrator or adviser – it was felt this option would encourage a far greater response because the person would be on the phone with the administrator or adviser anyway. Clients from National Debtline completed their baseline survey over the telephone, conducted by interviewers at IFF Research. Similarly, during the follow-up stage, while the original intention was for all clients to participate by telephone, to maximise response clients were also offered the opportunity

[12] Defined as advice relating to maximising income, planning spending, savings and managing bank accounts

to complete online if they preferred. While this difference in collection method is not ideal, it was required to ensure participation of the different clients and maximise response rates.

- **Different data collection timings (pre/post intervention):** The original intention was for clients to complete the baseline survey before they experienced any of the interventions. However, due to how the National Debtline intervention works and when it was possible to schedule interviews, National Debtline clients completed the baseline survey *after* they had experienced their initial intervention telephone call. The baseline survey for National Debtline therefore asked clients to think about their feelings and circumstances *before* they had their intervention call. CAP and Pennysmart clients completed the baseline survey as planned, before they experienced the intervention.

- **Different data collection timings (providers beginning at different times):** Pennysmart were able to start collecting quantitative baseline data (and also starting their intervention with these clients) earlier than the other providers. This means that when qualitative interviews with all clients started a number of months later, Pennysmart clients were taking part in these interviews at a later 'point' in their debt journey than National Debtline/CAP clients, as they had experienced their intervention first.

- **Extended data collection timings (Pennysmart):** Pennysmart collected quantitative baseline data until the end of December 2019, instead of end of October 2019 as planned (and therefore collection of follow-up quantitative data continued until the end of June 2019, rather than end of April as planned). This allowed us to increase respondent numbers further for Pennysmart.

- **Low base sizes by provider:** The base sizes achieved for each provider are relatively low (all under 100) and therefore a degree of caution is needed i.e. the confidence intervals associated with each finding are relatively large. That said, all differences highlighted in the report between the baseline line and follow-up survey by provider are statistically significant at the 95% confidence level.

- **Population data available for weighting by provider:** All data were weighted to ensure the achieved sample reflected the profile of clients receiving help from the provider by key demographic variables (employment, housing, mental health, gender, age and ethnicity). However not all providers were able to provide the relevant information, meaning each providers' data have been weighted only by the measures available.

- **Analysing data at an overall level:** The majority of analysis throughout the report is at the provider level (i.e. looking for changes between baseline and follow-up within each provider). However, as the base sizes are relatively small for each provider some analysis has been conducted at an overall level in order to look for sub-group differences by key demographics. In order to do this, our weighting strategy assumes each provider represents a third of the sample. Technically it would be more appropriate to ensure the overall data matches the total number of clients served by each respective provider but in doing so the overall data would be heavily skewed towards National Debtline who represent the majority of clients. Therefore, our approach represents a pragmatic way to look for sub-group differences across all providers, with a strong caveat in place.

- **The impact of COVID-19:** The COVID-19 pandemic occurred in March 2020, part-way through the follow-up survey fieldwork and before the start of the follow-up qualitative interviews. To minimise possible effects on evaluation findings, additional prompts were added to the survey and interview questions requesting that clients try to respond about their situation before the pandemic, for example asking clients to give their previous employment status if this had changed as a result of COVID-19. The pandemic did not have an adverse impact of the survey response rates.

The above challenges did not however prevent the overall delivery of the evaluation. Having spoken to each organisation, variances in the timing of the data collection were not expected to have had a large impact on clients' experiences. In response to lower than expected base sizes for the baseline survey, additional efforts were made to ensure high response rates at the follow up stage and this was successful in ensuring that the survey findings detailed in this report are statistically robust.

3 Evaluation scoping and design

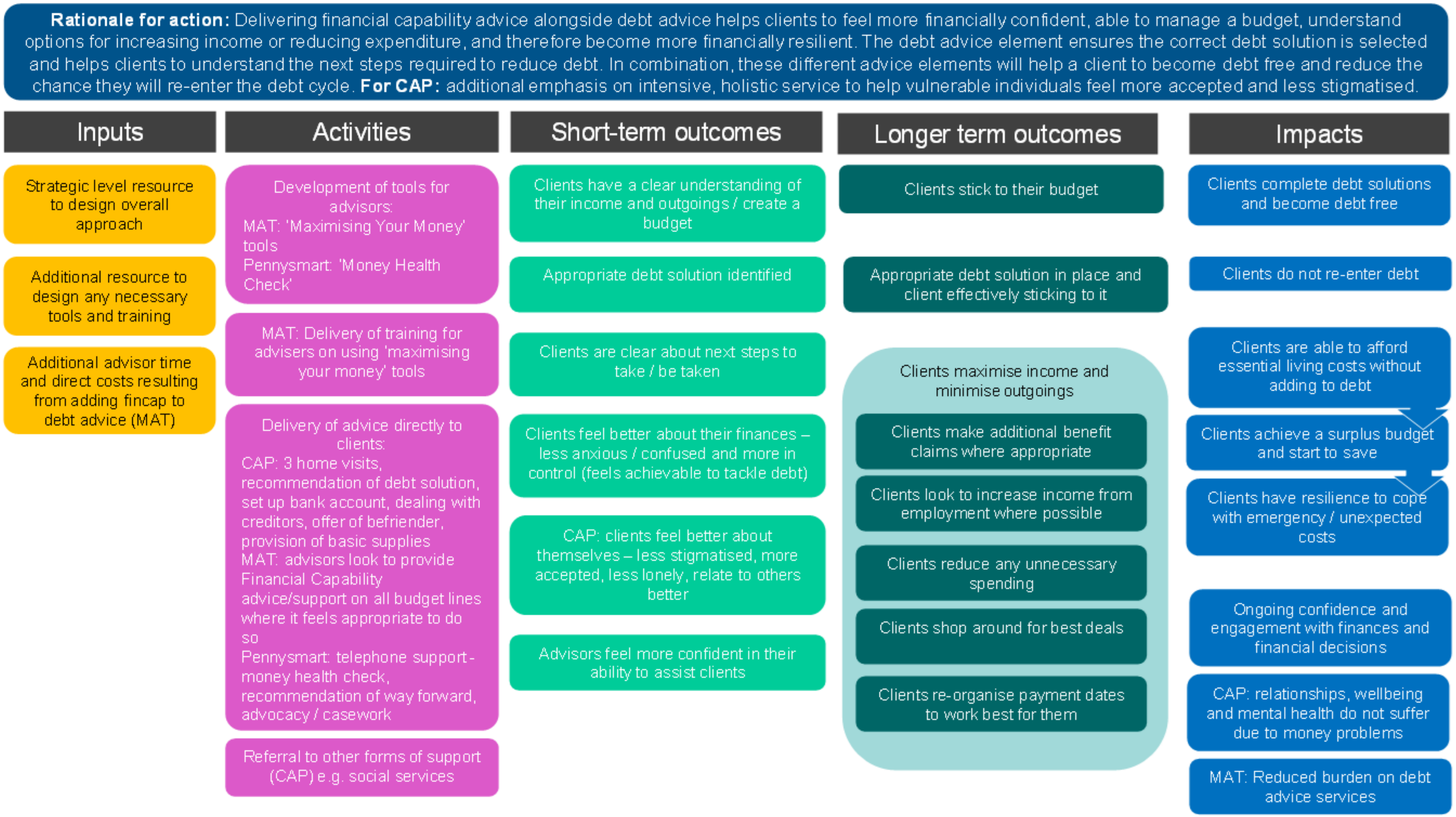
The evaluation commenced with a scoping and design phase, during which the evaluation team worked closely with MaPS and the three organisations to understand their service model and how their delivery was designed to produce outcomes for their clients. This chapter will provide more detail of the scoping phase, the outputs created and how this shaped the evaluation plan.

Theory of Change

A Theory of Change is a broad representation of how a programme will achieve its intended objectives and impact its clients. It explains the process of change by outlining causal linkages between elements of a policy or programme, its intended outcomes, and eventual contributions to impacts, therefore enabling the evaluator to assess not only whether interventions are delivering the intended outcomes, but also whether they are doing so in the expected manner.

The evaluation team worked with each of the three services to develop a Theory of Change for their individual service models, from which a single overarching Theory of Change (Figure 3.1) was developed, drawing together key elements common to all three integrated advice services. The individual Theories of Change for each grantee can be found in Appendix 2.

Figure 3.1 Overarching Theory of Change for all three organisations



The programme rationale detailed in the Theory of Change is underpinned by the assumption that combining financial capability support and debt advice helps clients to become debt free and more financially resilient, therefore reducing their chance of re-entering the debt cycle. This rationale was common to all three service models, while CAP's service also recognised that for those on low incomes, debt can cause poor mental health and social isolation, and their service therefore provided additional holistic support to improve clients' general wellbeing as well as their financial capability.

The activities conducted by each organisation includes the development of tools and training for advisers, delivering training to advisers and advisers delivering support to their clients. The way that support is delivered to clients varies by service as described in chapter 2 and then through ongoing telephone and holistic support.

Both CAP and Pennysmart's services follow a casework model which includes an advocacy element, where advisers take on communication with creditors on the clients' behalf.

The short-term outcomes were common to all three service models. For National Debtline and Pennysmart these are expected to occur once the client had spoken to an adviser by phone while for CAP clients they are expected to occur after the third visit from their debt adviser and befriender, when advisers have talked through the clients' budget.

Some additional outcomes were expected for individual services. For National Debtline, the only service that did not use a casework model, the service was expected to make clients feel more motivated to tackle their debt because the advice they had received made it feel more achievable.

Both CAP and Pennysmart expected clients to build a positive relationship with their adviser. This was viewed as important in helping the client to engage with the advice given and increase their financial and mental wellbeing. For CAP clients this was expected to give clients confidence that they could also build positive relationships with others more widely.

The longer-term outcomes for clients were expected across all three organisations. These were expected to occur once a debt solution has been put in place, when the client had time to begin using a budget and put other financial capability advice into action.

For Pennysmart, longer-term outcomes also included the client setting up and using appropriate bank accounts and savings vehicles. For CAP clients, where CAP have taken over responsibility for communicating with creditors, clients in the longer-term were expected to take back this responsibility. They were also expected to feel under less pressure and stress, and for their general wellbeing to have improved due to their improved financial wellbeing and any other holistic support received. Outcomes in this area might include for example having better mental health and improved relationships.

It is worth noting here that the impacts of a Theory of Change consist of things that may be expected to happen much further in the future after the programme has been completed. The programme cannot typically be directly linked to the impacts as other external factors will affect their achievement, but the programme could be expected to have played a role in their realisation. The Theory of Change provides a basis for testing the impact of the programme on the individual's improvement. The impacts detailed in the Theory of Change applied to all three organisations.

For National Debtline, who have the largest number of service users, an additional desired impact was that increasing clients' ability to manage their finances would lead to reduced burden on debt advice services in the future.

In addition to the bulleted list above, CAP's service was designed to lead to a positive impact on their clients' relationships, wellbeing and mental health, and equip them with skills and knowledge so that financial problems would not impact on these things in the future. The service also intended to prevent social isolation caused by debt through their additional holistic support.

Research questions

Informed by the Theory of Change, the evaluation identified the following research questions, to assess the impact of integrated advice across the three services:

In terms of impact: *does the intervention result in the following?*

- Clients who are able to manage their budget in such a way as to complete their debt solution
- Clients who have the skills, knowledge and confidence to make informed decisions about money, to maximise their income and maintain a balanced budget
- Clients who have developed the financial resilience to cope with a change in circumstances or unexpected expenses without re-entering into debt

Furthermore, in order to deliver a process evaluation which delivered learnings to inform the support and development of future integrated advice services, the evaluation also aimed to answer the following research questions:

In terms of process:

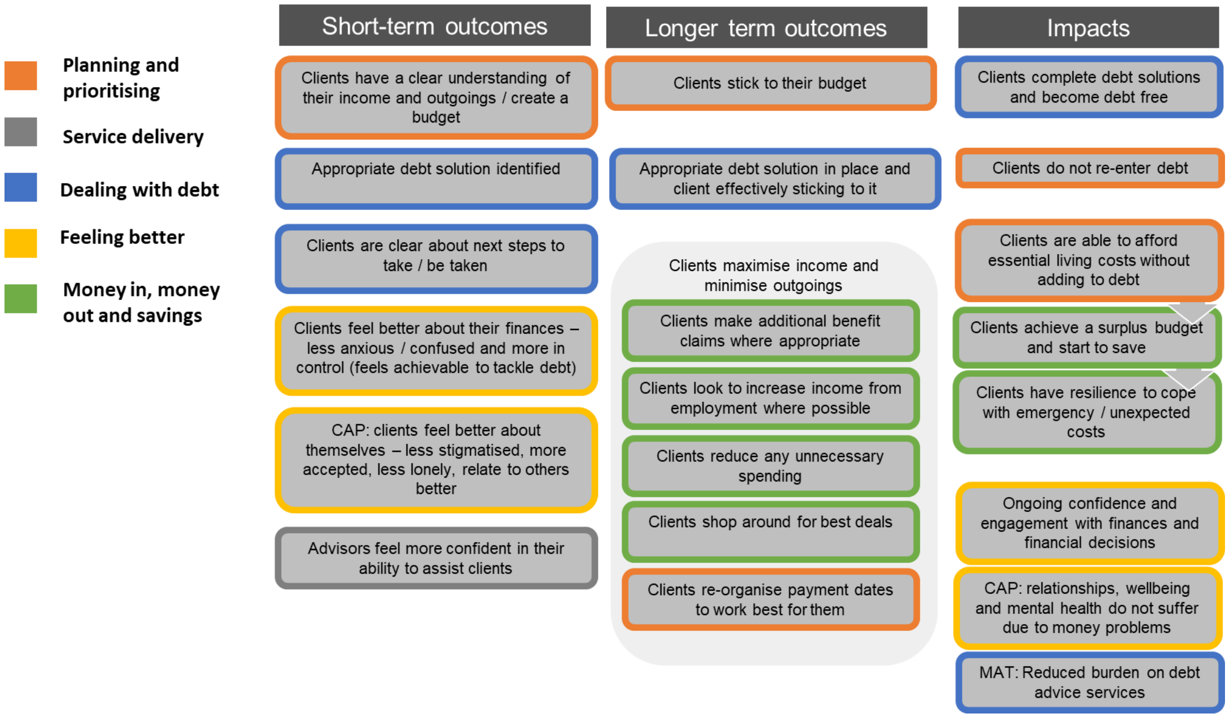
- What has gone well / what has gone less well in terms of delivery?
- What improvements or adjustments could be made to the intervention?
- Which elements of the intervention are most effective at improving financial capability to prevent recurring debt?

Thematic analysis

A thematic analysis was developed as an intermediate stage between developing the Theory of Change and designing the data collection metrics. This was developed from a review of all elements of the overarching Theory of Change.

From this, client outcomes were grouped into five themes as illustrated in Figure 3.2.

Figure 3.2 Thematic analysis of Theory of Change outcomes



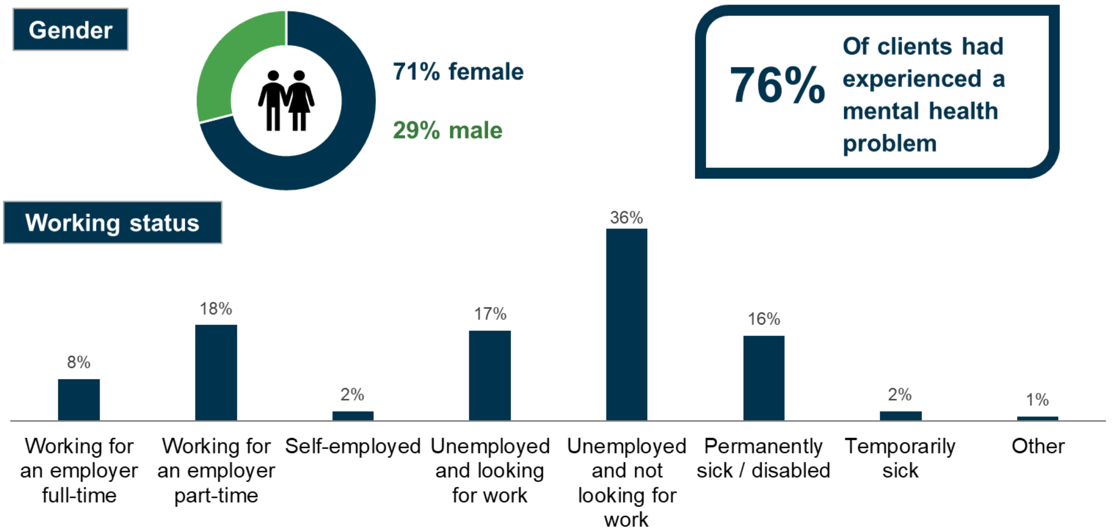
Clients were generally expected to 'feel better' about their finances in the short term and to look at their 'money in, money out and savings' in the longer term, while other themes cut across the short and long term outcomes and none were expected to happen in a directly linear manner. The outcomes within each of these themes were measured quantitatively through baseline and follow up surveys and explored qualitatively through in-depth interviews with clients from each organisation.[13]

[13] The development of each organisation's Theory of Change showed that the three services shared key assumptions around the logic of delivering integrated advice ad expected similar outcomes, however each organisation had a distinct method for delivering support, and some distinct objectives and expected outcomes which were designed to suit their client profile and organisational strategies. This evaluation was designed to address all of the outcomes that each service was expected to deliver as far as possible. Findings relating to outcomes that were unique to individual organisations are detailed in three separate organisation-level reports, while this report focuses on outcomes that were common across all three organisations, for the purpose of answering the overarching research questions given above.

4 Profile of the Participants

The three different organisations deliver services designed to meet the needs of slightly different client groups. Looking at the demographics and financial starting points of the clients from each of the organisations showed key differences in the typical clients they served. Below we present key demographic figures and a portrait of a typical Pennysmart, National Debtline and CAP client.[14]

Figure 4.1 Demographic profile of Pennysmart clients



Household composition	
Children under 18	49%
Lives alone	30%
Lives with adult family members	18%
Wife, husband or partner	10%
Other	0%

Housing situation	
Social renting	88%
Private renting	3%
Homeless	3%
Mortgage	2%
Living with family	0%
Other/prefer not to say	3%

Base: All Pennysmart clients, 52

A typical Pennysmart client might be a lone female parent in her 30s. She is likely to be unemployed, and possibly looking for work but not necessarily. She and her children live in a socially rented property and are heavily reliant on benefits and tax credits for their income. She is likely to have current or recent experience of mental health problems. This customer is a tight money manager, always shopping around, searching out deals, planning her meals and watching energy usage at home. Despite these money tricks, she has fallen into debt due to her low (benefit) income and other life events (relationship breakdown, illness) which led to complications with her Housing Benefit / Council Tax. This customer has been referred to Pennysmart through her Housing Association landlord because she is now in real financial difficulty and has fallen behind on many bills.

[14] Full data and analysis of research findings used to inform these portraits can be found in Appendix 1.

Figure 4.2 Demographic profile of CAP clients

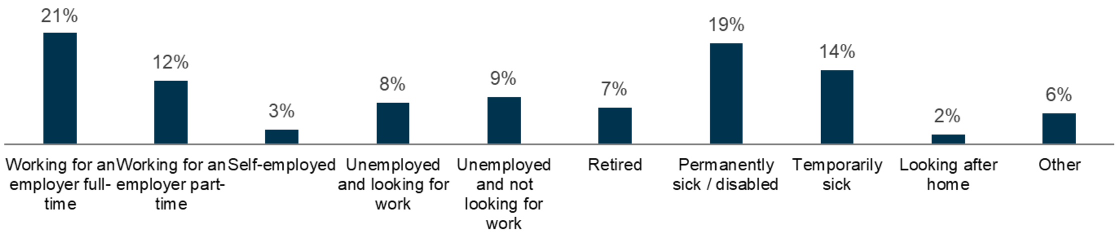
Gender

75% female

24% male

79% Of clients had experienced a mental health problem

Working status



Household composition	
Children under 18	39%
Lives alone	26%
Lives with adult family members	24%
Wife, husband or partner	21%
Other	8%

Housing situation	
Social renting	47%
Private renting	31%
Mortgage	9%
Living with family	6%
Own outright	3%
Homeless	2%
Other / prefer not to say	2%

A typical CAP client is likely to be female in her 30s or 40s and is out of work due to poor health. She is on a low income and has multiple different factors that have contributed to her getting into debt, such as illness, poor mental health and a recent difficult life event such as a relationship breakdown. She may have experienced domestic violence or homelessness. She may be a single mum or live alone in a rented property (either in a privately rented property, Housing Association or council property).

Unlike a typical Pennysmart client, this CAP client is not a savvy spender. She has never used a budget and pays for food and bills when she has to and when she has the money. Her low income and poor health have made it difficult for her to keep up with payments and she's fallen into multiple debts, such as rent arrears, utilities, catalogue or pay day loans. She heard about CAP through her GP who made a referral to the service on her behalf.

Figure 4.3 Demographic profile of National Debtline clients

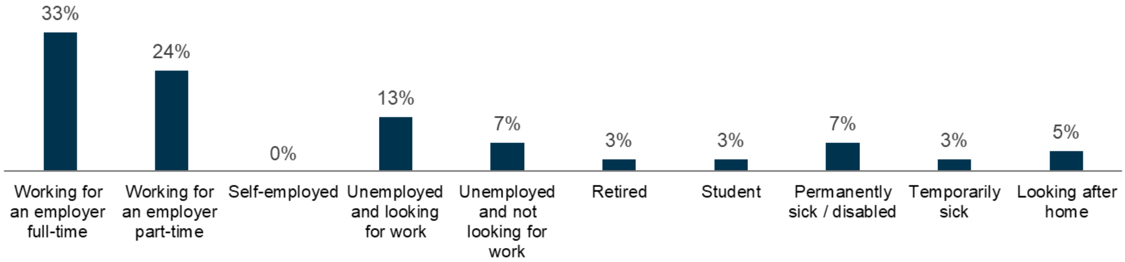
Gender

55% female

45% male

35% Of clients had experienced a mental health problem

Working status



Household composition	
Wife, husband or partner	40%
Children under 18	38%
Lives alone	20%
Lives with adult family members	20%
Other	13%

Housing situation	
Social renting	38%
Private renting	29%
Mortgage	15%
Living with family	12%
Own outright	4%
Other / prefer not to say	3%

Base: All National Debtline clients, 97

A typical National Debtline client is under 35 and could be male or female. They are currently working or have recently been in work (part or full time). They live with their partner in a rented property (either renting privately or from a Housing Association or council) and are likely to be in good physical and mental health. They recently experienced a sudden drop in their wages while their outgoings had gradually increased, at which point they began to struggle keeping up with their regular credit card payments and other bills.

This National Debtline client feels they have a fairly good understanding of their finances and a rough idea of their income and outgoings. They used a budget in the past but stopped over time and payments began to get on top of them when they had a few big expenses and reduced income. This client is likely to be struggling to keep up with one or two credit card or utility debts. They found National Debtline when they searched online for debt advice and may have called initially with a specific question about how to pay off the debt.

Impacts of integrated advice

5 Impact of Integrated Advice: Feeling better about money

Summary: Feeling better about money

Generally, clients across organisations felt better about their financial situation six months into the intervention. Feelings of control over their finances increased significantly and the qualitative interviews indicated that control was an important factor in the success of a client's journey to alleviate anxiety and increase motivation for the future. A thorough understanding of their own situation helped clients feel in control.

Although levels of anxiety remained fairly high at follow-up, there was a significant improvement compared to baseline across organisations, and feelings of a 'weight being lifted' occurred after initial contact with an adviser. Support from the organisation and being able to 'hand over' their situation relieved stress.

Recalling receiving financial capability support was correlated with increased feelings of financial control, reduced feelings of anxiety, higher engagement with their financial situation and an increased satisfaction with overall finances at follow-up.

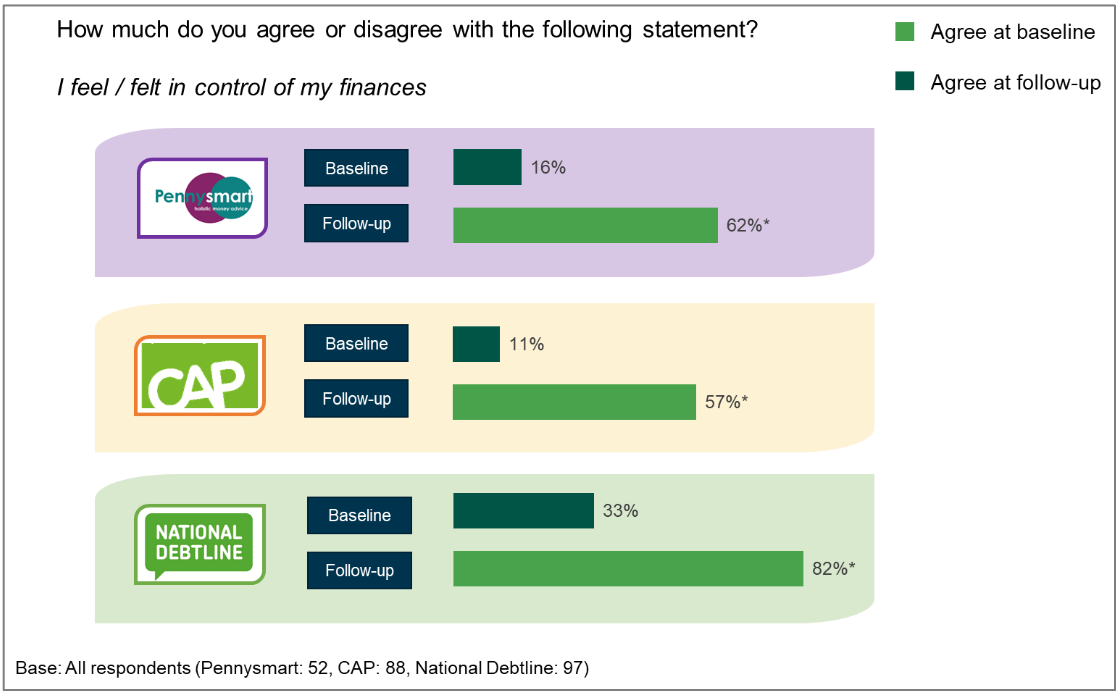
Struggling with debt and finances has a profound effect on an individuals' financial wellbeing. This chapter looks at changes that occurred from when clients first received advice and six months on, in their feelings about money, financial confidence, emotional wellbeing and engagement with finances.

The three interventions successfully promoted feelings of control among clients. Agreement with the statement 'I feel in control of my finances' rose considerably six months into the intervention compared to baseline, among clients of all organisations (see Figure 5.1), and the effect of these increases were among the highest of all outcomes measured across the evaluation (effect size of 0.53 for Pennysmart, 0.42 for CAP and 0.52 for National Debtline). Although National Debtline clients felt somewhat more in control at baseline compared to Pennysmart and CAP, agreement rose by a similar proportion among the three organisations, and by the time of the follow-up survey, the majority of each client group agreed they felt in control of their finances.

This is an interesting finding when the differences between the organisations' service delivery model and the extent of their involvement in dealing with the client's creditors are considered. Despite differing levels of involvement between the three organisations, all helped clients feel in control of their finances, suggesting that their service delivery model is successfully tailored to their individual client group reflecting their baseline levels of financial capability and wider circumstances. For example, CAP take a much more involved approach by taking the burden of paperwork off clients, dealing with creditors on the client's behalf and controlling repayments (CAP clients often have a CAP repayment plan, where they pay their monthly income into an account controlled by CAP who then organise bills, repayments and savings on their behalf). Pennysmart are likely to encourage individuals to take control over their repayments and deal with creditors themselves, though they will always give individuals the option to hand over their case and dealings with creditors to Pennysmart to deal with in a similar way to CAP. National Debtline provide individuals with the tools they need to manage their debt issues themselves (signposting to online tools and information, details of other organisations to contact etc.). Considering these differences, it would be expected that National Debtline clients might have more opportunity to demonstrate control over their financial situation, and CAP or Pennysmart less so. However, it is encouraging that improvements were observed across all organisations.

Further to this, it was observed in the qualitative interviews that there were commonalities in the advice of the three organisations that seemed to instill feelings of control, such as a thorough understanding their debts and finances. These observations are discussed in further detail below.

Figure 5.1 Feeling in control of finances, at baseline and follow-up



Follow-up scores marked with an asterisk (*) denote statistically significant differences from the baseline score.

At an overall level, clients were more likely to feel in control of their finances at the start of the intervention if they were employed compared to if they were unemployed (28% compared to 16%), male compared to female (28% compared to 16%) or had not experienced a mental health problem compared to if they had (29% compared to 16%).

By follow-up, encouragingly most subgroup differences had levelled, with the exception that clients who did not have a history of mental health problems remained more likely to feel in control of their finances than those who did (81% compared to 62%). Considering that feelings of control improved significantly from baseline to follow-up among those who had experienced a mental health problem, the advice still appears to have helped this group feel more in control of their finances six months into the intervention.

Feelings of control were heightened among clients who could recall receiving financial capability advice compared to those who couldn't. Findings among this group are outlined in the box below and similar boxes throughout the rest of the report. [15]

The impact of receiving financial capability support: feeling in control

Recalling receiving financial capability advice had a positive correlation with feeling in control: across organisations, clients who recalled receiving the advice were more likely to feel in control of their finances at follow-up compared to those who didn't recall receiving the advice (75% compared to 59%), where this difference was not observed at baseline.

It was clear from the qualitative interviews that control was an important factor in the success of a client's journey, among clients of all three organisations. A higher sense of control drove lower anxiety and stress levels, feelings of motivation for the future and more certainty about their financial situation. Many clients recognised that being in control of their situation was an important part of being financially confident and having the ability to make a change.

> *"I feel more confident in myself because I'm doing the right thing, that's the biggest change that I've had. It's knowing that I can do it. I was told for many years I couldn't. It was all about control. Now I've gained everything back... to be in control of your money is the biggest thing you can have."*
>
> CAP client

Generally, a thorough understanding of their situation helped clients feel in control of their situation. Understanding their income, expenditure (bills), knowing exactly what they were spending, understanding their budget and their debts were all factors that helped clients to feel empowered over their situation.

> *"[I feel] a lot better, I know what is being spent and on what, I'm more in control and not just taking money out and spending it."*
>
> CAP client

> *"Now I know exactly, if I go to the shop to buy something, yes, I have got the money. I never have to think or second guess. If I go to the shop, I know that I can afford it. If I run out of money, I know I can't go to the shop. Simple as that. I feel a lot more relaxed about day to day money, and day to day expenditures."*
>
> National Debtline client

For some, having a DRO in place allowed the client to be able to 'start again' and control their financial situation going forward.

---

[15] An additional question was added to the follow-up survey during the follow-up fieldwork period to check whether clients recalled receiving financial capability advice, defined as advice relating to maximising income, planning spending, savings and managing bank accounts. This was added to the survey as qualitative findings suggested that a minority of clients could not remember receiving any elements of this type of advice.

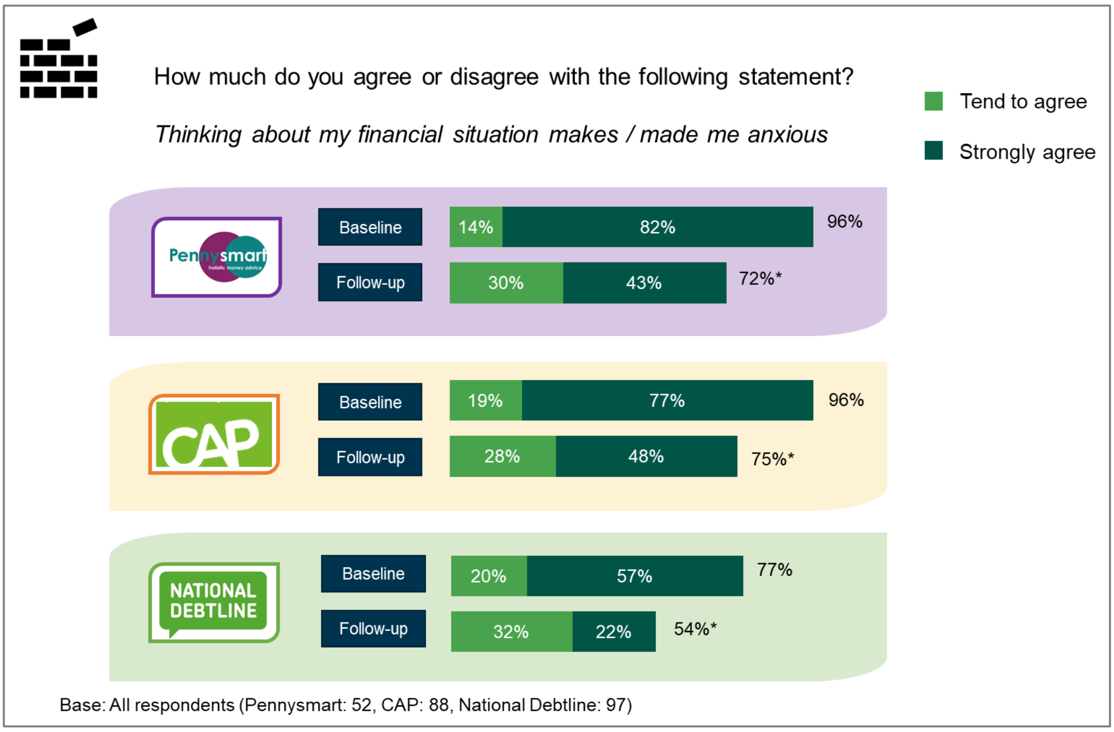
"I now can afford to live quite happily and afford food and my bills. Being debt-free and being able to start again has made a huge difference. Because I have health problems as well, being financially in a dire situation... it helped my mental state of mind too."

CAP client

Feeling anxious

The intervention had a positive impact on anxiety after six months. Figure 5.2 shows that the vast majority of Pennysmart, CAP and National Debtline clients agreed that thinking about their financial situation made them anxious at the start of the intervention, though feelings of anxiety had significantly decreased six months later. Though the proportion of those feeling anxious among each organisation was still relatively high at follow-up, the drop in anxiety over six months is encouraging, and the proportion of clients who *strongly* agreed that thinking about their financial situation made them anxious at follow-up decreased by almost a half for Pennysmart, a third for CAP, and over half for National Debtline, showing the severity of the anxiety many felt had reduced.

Figure 5.2 Feelings of anxiety relating to finances, at baseline and follow-up



Follow-up scores marked with an asterisk (*) denote statistically significant differences from the baseline score.

At an overall level, clients who were unemployed were more likely to feel anxious at baseline compared to those who were employed (95% compared to 81%), as were those who had experienced a mental health problem compared to those who hadn't (95% compared to 77%), older clients (97% of those over 50 compared to 87% and 86% of 18-24 and 35-49 year olds) and social housing tenants compared to those who rent privately (93% compared to 82%).

Six months later, differences between those who were in or out of work at baseline had lessened and were no longer significant (70% compared to 60%), although those who had experienced a mental health problem were still more likely to feel anxious (70% compared to 56%), as were those over the age of 50 compared to those aged between 18-34 (80% compared to 54%) and social housing tenants compared to those who rent privately (74% compared to 52%).

The impact of receiving financial capability support: feelings of anxiety

Recalling financial capability advice was correlated with feelings of reduced anxiety at follow-up: clients who recalled receiving financial capability support were more likely to show an improved score at follow-up compared to those who didn't remember (54% compared to 33%), whereas those who didn't remember were more likely to show no change in feelings of anxiety at follow-up (56% compared to 36%).

In the baseline interviews, clients mentioned feeling uncertain about their situation and having a sense of feeling 'lost' before they contacted the organisation. Anxiety was alleviated to some extent among most clients after their initial conversation with an adviser, and in nearly all cases clients experienced a 'weight being lifted'. Although clients felt relieved their debt was being dealt with, the feeling that there was a long way to go to be debt-free remained, which meant levels of anxiety at baseline were still high. A non-judgmental approach from the adviser, reassurance that someone has the ability to help them, that someone else is dealing with their problems, and that what they are going through is normal were important factors that helped clients feel less anxious.

> *"I do feel a lot better than before I saw CAP but at the same time it's just, in a way, it's still thinking about all those debts, it sort of plays on your mind a little."*
>
> CAP client
>
> *"I think talking to the lady at Pennysmart did really help. To talk to someone like the lady at that time, it was perfect. I'm not saying it was a counselling session but you could just hand over, I handed over, this is it, this is what I've done, this is where I am, just to get it off my chest was helpful."*
>
> Pennysmart client
>
> *"I was in the depths of despair. The fact I was treated like a normal person was fantastic."*
>
> National Debtline client

Six months into the intervention, most clients taking part in the interviews were more confident about their situation and felt less anxious. Clarity around how their debts will be paid off (e.g. a DRO or a repayment plan), knowing they were making a change to their situation and having the organisation's support contributed to their improvement. Many clients were less avoidant of opening letters or picking up the telephone and felt less afraid of creditors turning up at their door – something that caused a lot of anxiety at baseline.

> *"[how did you feel about your finances?] More relieved, happier, more confident to do things and go out. Because of the support you get from them."*
>
> Pennysmart client
>
> *"I don't feel anxious anymore. I did, because I was worried that I wasn't going to be able to pay the debts off, but I feel much better in myself now."*

CAP client

"A lot more stability now… I'm not petrified of someone banging on the door. Persistent calls, emails, letters through the door."

National Debtline client

As discussed above, a sense of control over their situation was extremely important for alleviating feelings of anxiety, and the two factors seem to be linked.

"A lot better… I know what I am doing. I make sure bills are paid first and what I have got left stays in my bank."

National Debtline client

For some CAP clients, the nature of their more involved service delivery model allowed clients to hand over the burden of their finances (bills, letters from creditors etc.) and have help dealing with repayments, which appeared to be beneficial to more vulnerable clients. The face-to-face visits were also particularly beneficial for this more vulnerable group, as well as the emotional support that the CAP adviser and befriender gave to clients.

"I have got rid of the pile… CAP taking the documentation away from us means we don't look at it anymore… and the fact it is in someone else's hands and someone we trust - all of those things have helped my mental health. I feel a lot more confident now someone is dealing with it."

"A combination of physically handing over the debt to someone else [helped] and sitting there and talking through the whole process. Someone has taken the time to come and visit you and go through the whole process… [it's] like a weight lifted."

CAP client

"Having them come to your house, you're sitting there, you're talking, it seems a lot more personal and more comfortable."

CAP client

A few clients continued to have a poor outlook on their situation at follow-up. These clients tended to be CAP or Pennysmart clients, so inherently are more likely to be vulnerable and have complex financial and personal situations. These clients generally fell into two groups. The first were individuals whose situation hadn't been resolved through the service they were provided with, because they hadn't received the solution they had wanted or there was some kind of interruption to the advice they were given.

"CAP still haven't contacted any of my creditors, so everything is still in limbo at the moment."

CAP client

The second were individuals whose situation seemed to improve as a result of the advice they received. However, the extent of their improvement was tempered by circumstances such as inability to work, caring responsibilities or poor health. For some of these individuals, their situations might have improved slightly but there was little room for maneuver, and an unexpected expense or bill could knock them back again. It should therefore be taken into account that some clients don't have the ability to progress as far as others due to their complex situations.

> *"It is just a plaster over it. Until I get an income there is not much they can do … but we are in a better position."*
>
> CAP client
>
> *"It did help it eased my worries a bit to know that I would get all the debt consolidated and that I wouldn't have that stress anymore. But I was just upset with myself that I missed that appointment but there was just nothing I could have done when my son was sent into hospital I was staying with his nan to make sure she was alright."*
>
> Pennysmart client
>
> *"I can't really take control because I'm not earning, I need to be full time. There are things that need to happen, but at the moment can't, they are out of my control."*
>
> Pennysmart client

Engagement with their financial situation

Clients were asked the extent to which they agreed with attitudinal statements relating to their engagement with their financial situation.

Clients across all three organisations were likely to feel they could influence their financial situation[16] and there were some significant changes in the right direction with regards to how many CAP and National Debtline clients felt they could make a difference to their financial situation, but these were shown to have a low effect size.

Qualitative interviews however showed that simply being in contact with an adviser provoked some feeling of being able to make a difference, similarly to how clients felt an immediate relief of anxiety after the first contact they had with the organisation. This was particularly evident for Pennysmart clients, who at baseline tended to be confident that their financial situation could change, even if they were not completely clear as to how at this point (this was less prominent for those with poorer mental health). Some National Debtline clients were positive about the future, especially those who had already put small debt repayment plans into place[17]. CAP clients who had a more positive outlook on their situation seemed to be encouraged by the initial visit from the CAP advisers, having someone who wanted to help listen to them, and having help with their paperwork. Some were able to think about changes in the future, even if these were more short-term goals.

---

[16] Agreement with the statement 'I prefer to live for today and let tomorrow take care of itself': Pennysmart, 39%; CAP, 28%; National Debtline, 26% at follow up. Agreement with the statement 'Nothing I do will make much difference to my financial situation': Pennysmart, 30%; CAP, 29%; National Debtline, 21% at follow up. Agreement with the statement 'I am too busy to sort out my finances at the moment': Pennysmart, 14%; CAP, 12%; National Debtline, 7% at follow up.

[17] It is to be expected that National Debtline clients will receive more actionable advice early in the journey, compared with CAP delivery model that takes a slower approach to giving advice.

"It felt good to know exactly how much I was in debt and get it all written down which meant I was taking the first steps to sorting it."

Pennysmart client

"I'm in a 5-year plan with Scottish Power and I'm paying an affordable amount. I'm chipping away at it and I wouldn't have known if I hadn't spoken with the National Debtline. In 5 years, we'll be completely up-to-date."

National Debtline client

"It will change. I've already started thinking about the bills/debts, where I need to get letters, when money is due. I am thinking differently rather than "I can't do that today". Now I'm thinking next week I need to have this sorted…"

CAP client

By the follow-up interviews, the sense of feeling like they could make a difference was encouraged by knowing they had repayments in place, even if the repayments were small. Feeling in control of their situation also instilled feelings of being able to make a difference.

"Even if it's not a lot of money, it's a little bit more, it's feeling like I'm doing something."

Pennysmart client

"I feel much more on top of it and much more confident that I will one day have a resolution."

National Debtline client

The survey also asked clients about attitudes towards spontaneous spending. There were no significant changes for any organisation in agreement with the statement 'I prefer to live for today and let tomorrow take care of itself' from baseline to follow up, and agreement remained relatively low across waves (between 26 and 39% across all three organisations).

The qualitative interviews suggested that there was a sense that attitudes towards spontaneous spending had shifted among some clients by the follow-up interviews, and clients were more likely to think about their future finances before deciding to spend money, meaning the interventions might have had some impact on the clients' sense of forecasting and planning.

"I'm quite disciplined with it now and I think much more about what I'm spending because I'm not saying that's ok that's £300 but I can just stick it on a credit card. I'm thinking do I need that now, I'll maybe just save up for it and wait a few months."

National Debtline client

"If it weren't for CAP and receiving the advice that I got I wouldn't even have paid my rent, I probably would have spent my money on whatever. So, I think speaking to them and realising how to spend your money wisely."

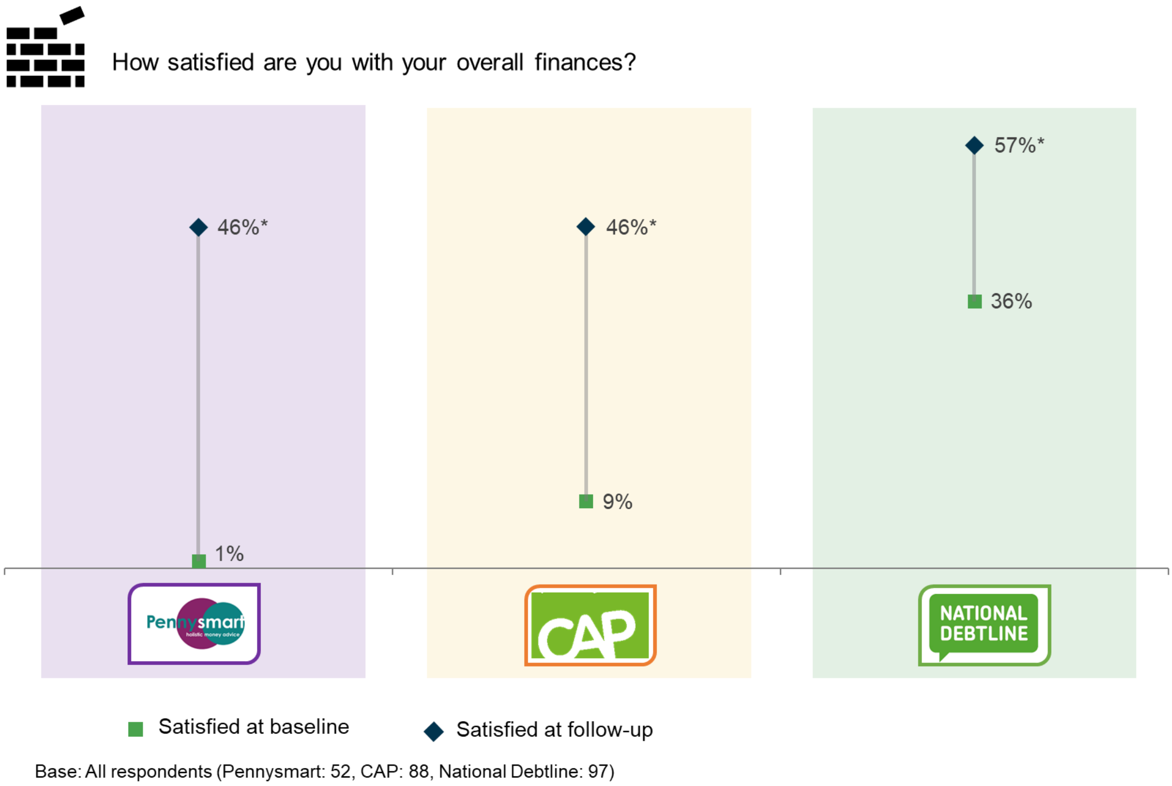
CAP client

> *"I lived for the moment. Now I feel like Ebenezer Scrooge. I've got to watch every single penny."*
>
> CAP client

Satisfaction with finances

Satisfaction, like the increase in control, was another area of significant improvements across all three organisations, as shown in Figure 5.3. Satisfaction among Pennysmart and CAP clients when seeking advice was especially low and both client groups saw considerable increases with higher than average effects (effect size of 0.55 for Pennysmart, 0.40 for CAP).

Figure 5.3 Satisfaction with overall finances, at baseline and follow-up



Follow-up scores marked with an asterisk (*) denote statistically significant differences from the baseline score.

At an overall level, clients who had not experienced a mental health problem had a higher satisfaction score at baseline compared to those who had (34% compared to 7% were satisfied), yet positively, this difference was not observed six months later, suggesting the advice particularly helped those vulnerable to poorer mental health to feel satisfied.

Those who owned a house were more likely to feel satisfied at baseline than those who rented privately or social housing tenants (42% compared to 16% and 11%). Six months later, they were still more likely to feel satisfied compared to social housing tenants (60% compared to 40%), but those who rented privately had levelled.

The impact of receiving financial capability support: satisfaction

In line with findings above, those who recalled receiving financial capability support were more likely to feel satisfied with their finances at follow-up, compared to those who didn't recall receiving this advice (59% compared to 31%). There were no differences between these groups at baseline.

6 Impact of integrated advice: Money in, money out and saving

Summary: Money in, money out and saving

Pennysmart and National Debtline clients **shopped around for a good deal when choosing or renewing a contract more frequently** six months into the intervention.

Money saving behaviours were common among the majority of Pennysmart and National Debtline clients at baseline and follow-up, and significant improvements were seen among CAP clients in the follow-up survey. The extent to which clients across organisations were likely to implement techniques depended on various factors such as their behaviours prior to the intervention and how willing or capable they were to make changes.

Saving increased among clients across all organisations over the six-month period and clients recognised the importance of saving, however unexpected expenses remained a concern for many. Despite this, confidence coping with an unexpected bill increased for around half of Pennysmart and CAP clients, and a majority of National Debtline clients.

Help with maximising incomes appeared fairly limited throughout the interventions, most likely because some clients remained unable to work or were already on the benefits they were entitled to.

Managing spending, active savings, and maximising income are important behaviours in improving financial capability[18]. The ability to take these actions day-to-day enables an individual to adjust their spending to their circumstances, plan and prepare for the future and for unexpected events, and to increase financial resilience.

Managing spending

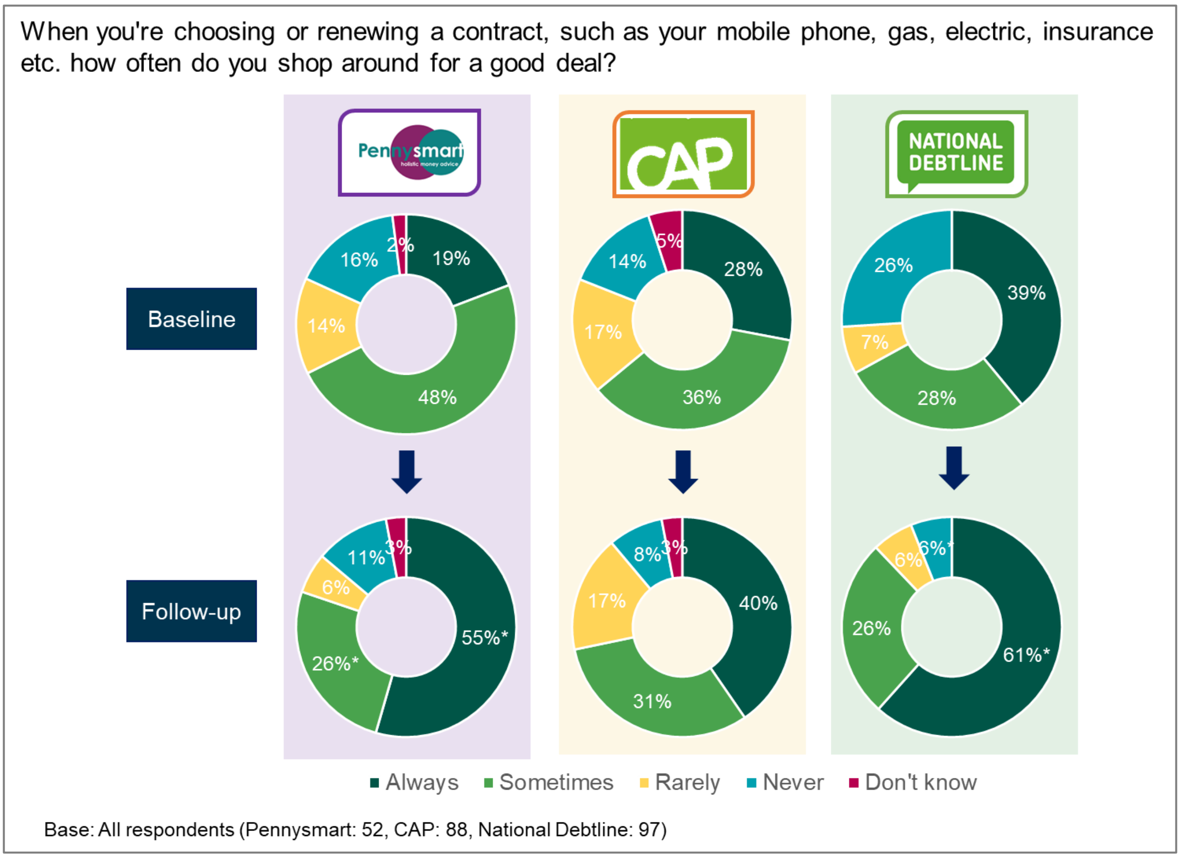
Clients were asked how often they shop around for a good deal when choosing or renewing a contract, such as contract for a mobile phone, gas, electric or insurance.

Generally, the frequency that clients across all organisations shopped around increased over the six months. Pennysmart and National Debtline clients were significantly more likely to always shop around for a good deal by follow-up, and although there was no significant change for CAP clients, scores headed in a positive direction. Positively, almost a third (30%) of CAP clients shopped around

[18] MaPS Adult Outcomes Framework for Financial Capability: https://www.financial capability.org.uk/en/articles/adults-outcomes-framework

more frequently at follow-up than they did at baseline, further demonstrating a positive shift among CAP clients.

Figure 6.1 How often clients shop around for a good deal when choosing or renewing a contract



Follow-up scores marked with an asterisk (*) denote statistically significant increases from the baseline score.

At an overall level, at baseline, clients in work were more likely than those not in work to always shop around for a good deal (39% compared to 23%) whereas those not in work were more likely to only do this sometimes (43% compared to 29%). By follow-up, these differences had levelled out.

Similarly, there was a disparity at baseline where clients who rented private accommodation were more likely to always shop around for a good deal compared to social housing tenants (45% vs. 23%), who were more likely to do this only sometimes (43% vs. 22%), but again this difference was not seen at follow-up.

At baseline and follow-up, clients aged 18-34 were more likely to always or sometimes shop around for a good deal compared to clients over 50 years old (82% vs. 56% and 86% vs. 72%). Although this difference was still apparent at follow-up, the increase in the proportion of clients over 50 years old shopping around for a good deal over the six months is positive.

The impact of receiving financial capability support: shopping around

Those who could recall receiving financial capability support were more likely to always shop around for a good deal at the follow-up stage (58% vs. 41% of those who didn't recall receiving this advice), indicating that financial capability support had been remembered and implemented (this was not observed at baseline).

From the qualitative interviews, it was evident that clients across all organisations received initial encouragement to shop around for good deals on contracts from the start of the intervention. By follow-up, shopping around for better deals appeared to form part of the clients' way of managing their outgoings.

> *"They helped me try and make sure I am getting the best value for my essential bills, they helped me find out the best deals and that's helped a lot."*
>
> National Debtline client

Making money go further

Clients were presented with a list of actions and asked if they did any of them to make their money go further. Results are shown in figure 6.2 by two different analyses. The proportion of clients implementing the behaviour at baseline and then at follow-up are presented and changes between the two time points are considered. Further to this, the proportions of clients who were not doing these behaviours at baseline but had started doing it six months into the intervention are analysed (these results are shown in the green columns).

As outlined in chapter 4, the majority of Pennysmart clients were likely to implement most of the actions at baseline, with the exception of checking charges on bills and using money saving tips. By follow-up, a majority were doing both of these things in order to manage their spending (although the increase in those checking charges had a low effect size). A considerable proportion of clients had started doing both of these at follow-up for the first time (25% and 32% respectively), suggesting the advice they received had encouraged clients to implement these behaviours.

CAP clients were less likely to use money saving behaviours at the baseline stage compared to Pennysmart and National Debtline clients. They were least likely to check charges on their bills and use money saving tips at baseline compared to other money saving actions, though the proportion who used money saving tips had increased six months later.

There were no significant changes between waves for any action among National Debtline clients. At baseline, a majority of clients were implementing each action, and a majority continued to do so by follow-up.

Figure 6.2 Actions clients make to make their money go further

Do you do any of these things to make your money go further?

	Pennysmart			CAP			National Debtline		
	Average Baseline	Average Follow-up	Started at follow-up	Average Baseline	Average Follow-up	Started at follow-up	Average Baseline	Average Follow-up	Started at follow-up
Look for offers/deals	88%	88%	9%	**63%**	**79%***	22%	87%	86%	6%
Turn lights or electrical appliances off when not in use	90%	86%	2%	57%	66%	16%	83%	82%	12%
Shop around for food / groceries	81%	87%	15%	53%	61%	20%	87%	79%	7%
Avoid treats and non-essentials	80%	73%	12%	53%	43%	9%	51%	43%	15%
Make a shopping list	62%	78%	19%	**37%**	**66%***	34%	67%	64%	10%
Plan meals in advance	71%	77%	14%	31%	32%	11%	66%	56%	11%
Check charges on bills like energy, phones to make sure you are on the best deal	**47%**	**74%***	32%	**12%**	**30%***	23%	60%	68%	21%
Use money saving tips	**35%**	**53%***	25%	**11%**	**24%***	18%	56%	51%	16%

Base: All respondents (Pennysmart: 52, CAP: 88, National Debtline: 97)

Follow-up scores marked with an asterisk (*) denote statistically significant increases from the baseline score[19].

Overall, at baseline, women were more likely to implement five or more money saving behaviours than men (66% compared to 43%) as were younger clients compared to older clients (70% of 18-34-year olds compared to 48% of over 50s). These differences had levelled six months into the intervention.

Clients who agreed that nothing they could do would make a difference to their situation were less likely than those who disagreed to use five or more money saving tips at baseline (50% compared to 71%). This difference continued at follow up but was no longer statistically significant due to lower base sizes. This could indicate that those who felt they could make a difference were encouraged to implement money saving behaviours, and perhaps that implementing money saving behaviours reinforced feelings of being able to make a difference. Conversely, those that feel demotivated and think nothing will help might be less likely to implement behaviours.

[19] Most of the significant differences relating to money saving behaviours had low effect sizes. The only actions where effect sizes were moderate were: 'Shopping around when renewing a contract', and 'Use money saving tips'.

The impact of receiving financial capability support: money saving behaviours

Encouragingly, and in line with findings above that recalling financial capability support might promote positive behaviour change, those who could recall receiving financial capability support were more likely than those who couldn't to implement most actions to make their money go further at follow-up, including:

- Looking for offers and deals (89% compared to 72%);
- Turning lights or electrical appliances off when not in use (83% compared to 63%);
- Shopping around for food/groceries (81% compared to 65%);
- Planning meals in advance (63% compared to 43%).

From the qualitative interviews it was evident that all three organisations delivered money saving tips and advice to their clients, and generally these were well received. However, the extent to which the techniques were implemented depended on various factors such as the extent of their spending behaviours prior to the intervention, how willing they were to make changes and their capacity to make changes (for example those with a higher income seemed more likely to make changes). Clients who had difficulty implementing techniques often had poorer physical and mental health, and may have been experiencing other situations that prevented them from taking action, such as one Pennysmart client who was struggling to deal with a court case for benefit fraud, or one who had had his Universal Credit reduced, so had subsequently taken out a new loan and found himself in further debt.

Two case studies outlined below demonstrate a difference in need for money saving tips between two clients. The first client of CAP had outgoings that were already very low – although he was unable to work due to poor health, he and his wife only bought essentials and shopped in cheaper stores so managed to cover their outgoings with the small income they had, meaning his need to implement money saving advice was limited. The second client of Pennysmart had higher outgoings prior to receiving advice, such as Netflix and TV contracts and children to shop for. Implementing money saving guidance seemed to greatly improve this client's situation.

It is worth noting that both of these clients did have a Debt Relief Order (DRO) put in place, meaning they had no debt repayments to make and were able to utilise all of their income. Although this is likely to be beneficial, in some cases, clients were able to implement money saving tips even when a

DRO was not granted. Struggling to implement money management techniques is likely to be mostly due to other factors described above.

CASE STUDY: LOW NEED TO IMPLEMENT MONEY MANAGEMENT TECHNIQUES

Joe was on state pension after having to quit his job due to poor health and his wife only had a small income each month. He had previously taken out a large loan which he was unable to pay back, so reached out to CAP for help after being told about them by his bank. With CAP's help, Joe was able to clear his debts by obtaining a DRO.

Although Joe was given money saving tips by CAP, he did not appear to implement them. However before contacting CAP, Joe had limited outgoings – he shopped around for good deals and only bought essentials and managed to save money for his and his wife's medical treatments. He was able to fund his outgoings from the income he had coming in but was unable to cover any debt repayments.

We normally use the cheaper products, and the stores where you can shop cheaply.

We live very low level, and we need to keep money for our treatments, so we don't spend much. Everyday living is supported.

What seemed important to help Joe in this situation was a combination of the debt solution as well as the emotional support. Having someone to talk to and to support him and his wife was valuable for improving his situation.

Just the conversation with them was helpful because we both suffer from depression, if there was somebody who visibly cares for us, then it is very helpful.

CASE STUDY: IMPLEMENTING MONEY MANAGEMENT TECHNIQUES TO IMPROVE FINANCIAL CONFIDENCE

Christina was a single parent to three children with debts dating back to 2010, which she was unable to pay off due to having high outgoings and a low income. Through Pennysmart she had support to obtain a Debt Relief Order. The advice she received from Pennysmart about managing money changed her mindset and she was adamant she wouldn't fall into debt again.

If I had to go back to them again it means I am in debt again … I want to keep myself away from debt and problems and just live my life with the money I [earn] and not the money I don't have.

After Pennysmart's intervention, Christina started to make weekly meal plans, write a shopping list to take to the supermarket with her and look around for deals and offers, and subsequently she now spends less on her weekly shop. She only buys essentials and buys in bulk to avoid waste.

Do a small list and prioritize what is important to pay… look for better deals… and don't buy things that are not essential. I really respected their advice. Today I am not rich, I don't have much money but am much better.

Pennysmart encouraged Christina to make small savings by switching her internet providers and television providers to find cheaper deals.

My internet was quite expensive so she said there must be something out there cheaper… I did change my internet and I had Sky movies and I closed it and took Netflix (at an eighth of the cost) … I still have the same things but different (and cheaper) deals.

By implementing these money saving tips, Christina felt much less anxious knowing she would have money left over at the end of the month. She now puts money aside for her children, pays for home and life insurance and can spend at Christmas.

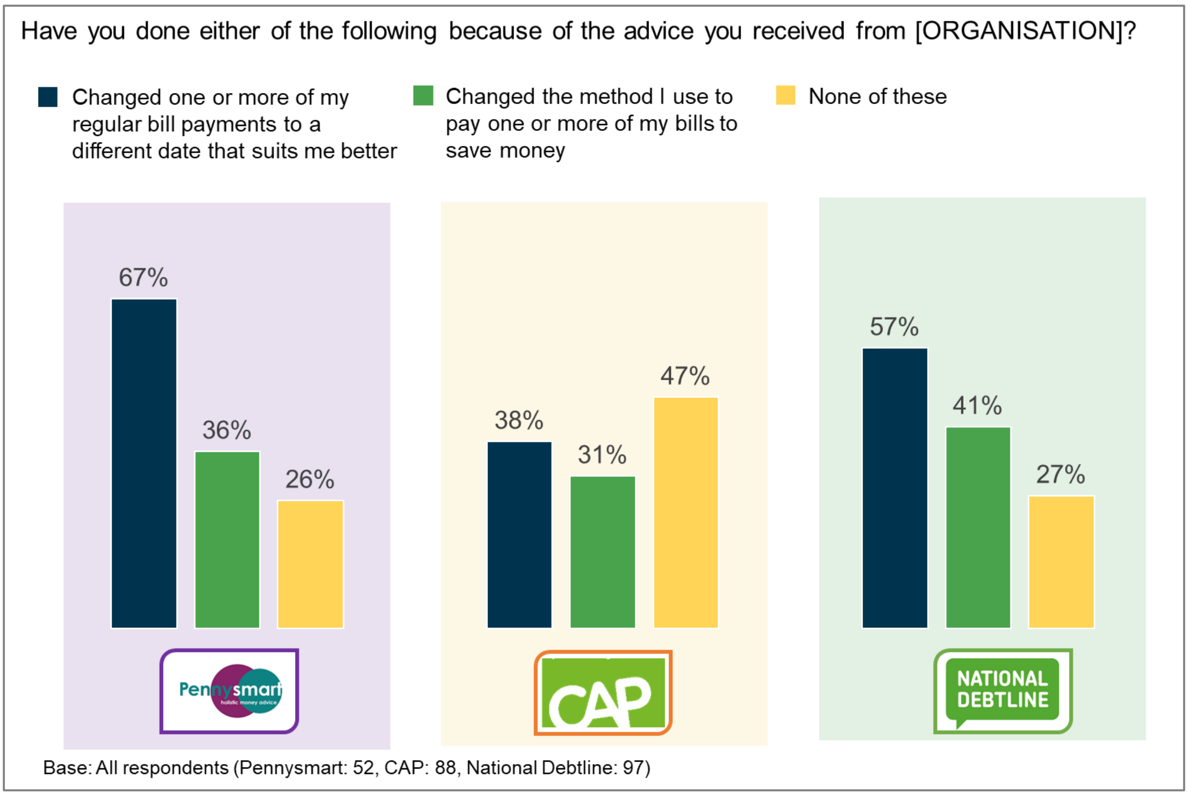
I am okay because I manage my money much better and I never go to the end of the month without any money… I think before I spend.

Managing bill payments

Clients who took part in the follow-up survey were asked to indicate whether as a result of the advice they had received, they had either changed one or more of their regular bill payments to a different date that suits them more, or changed the method they use to pay one or more of their bills to save money.

Generally, changing a bill payment date to a time more suitable was slightly more popular than changing the payment method in order to save money, though a considerable proportion of clients had done neither of these things (see Figure 6.3).

Figure 6.3 **Proportion of clients who had changed a bill payment date or method of payment[20]**



At an overall level, male clients were slightly more likely to have changed the method used to pay a bill than female clients (45% compared to 32%).

The impact of receiving financial capability support: changing bill payments or methods

Perhaps unsurprisingly, compared to clients who couldn't recall receiving financial capability support, clients who could recall receiving the advice were more likely to have changed a regular bill payment to a different date that suits them better (58% compared to 40%) or changed the method they use to pay one or more of their bills to save money (42% compared to 15%).

Saving

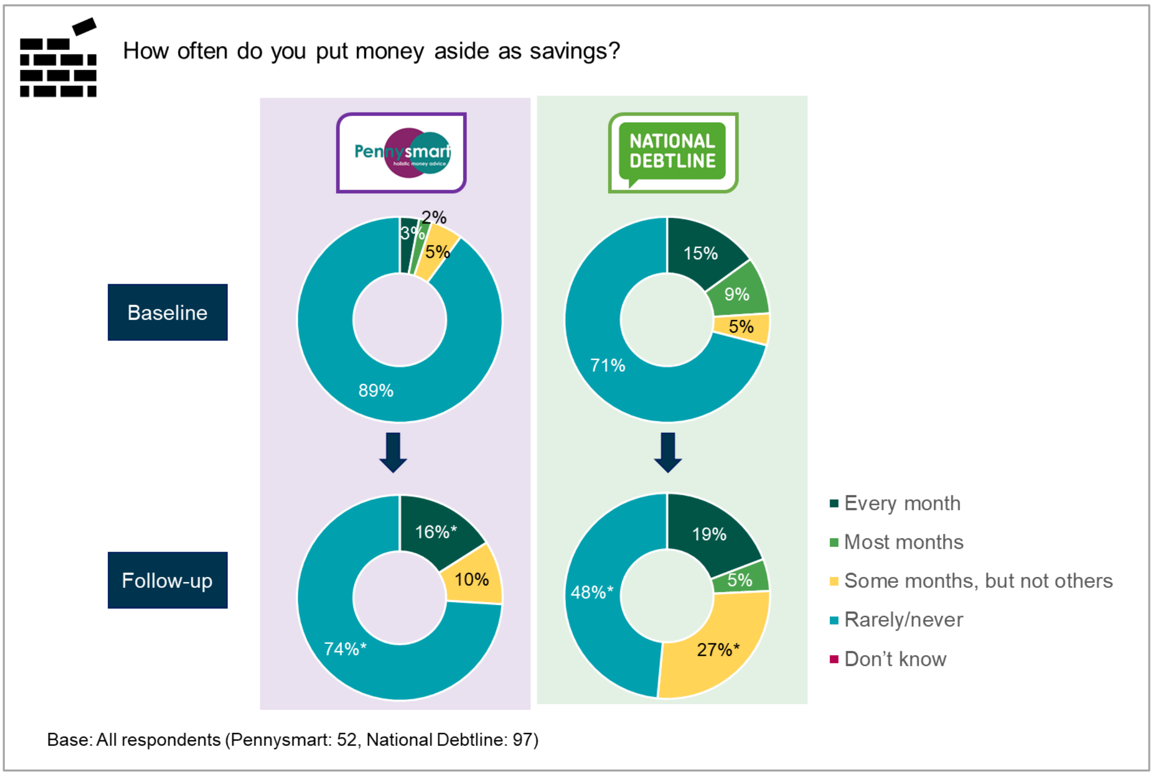
As part of the CAP model of service, clients gave CAP consent to liaise with creditors and manage their debt repayments on their behalf. The client would pay an amount of their regular income into their CAP repayment plan from which CAP would make their repayments directly to creditors. In some cases, CAP put some of this money aside as savings on behalf of the client. In others, the client might save independently from their CAP repayment plan.

[20] Respondents could select both 'changed bill payments to a different date' and 'changed the method I pay bills' therefore figures do not sum to 100%

At baseline, all CAP clients were asked how frequently they put aside money as savings. However, at follow-up, this question was only asked to those CAP clients who save independently of their CAP repayment plan, to capture the ability to save outside of CAP's support. Because of this, we cannot directly compare CAP's baseline and follow-up survey results, and findings for Pennysmart and National Debtline are discussed first, separately to findings for CAP.

The likelihood for both Pennysmart and National Debtline clients to save increased over the first six months of the intervention. The proportion of those never saving or only rarely saving decreased significantly, while the proportion of those saving every month increased significantly. Similarly, National Debtline clients were significantly less likely to never save or only rarely save, and more likely to save some months.

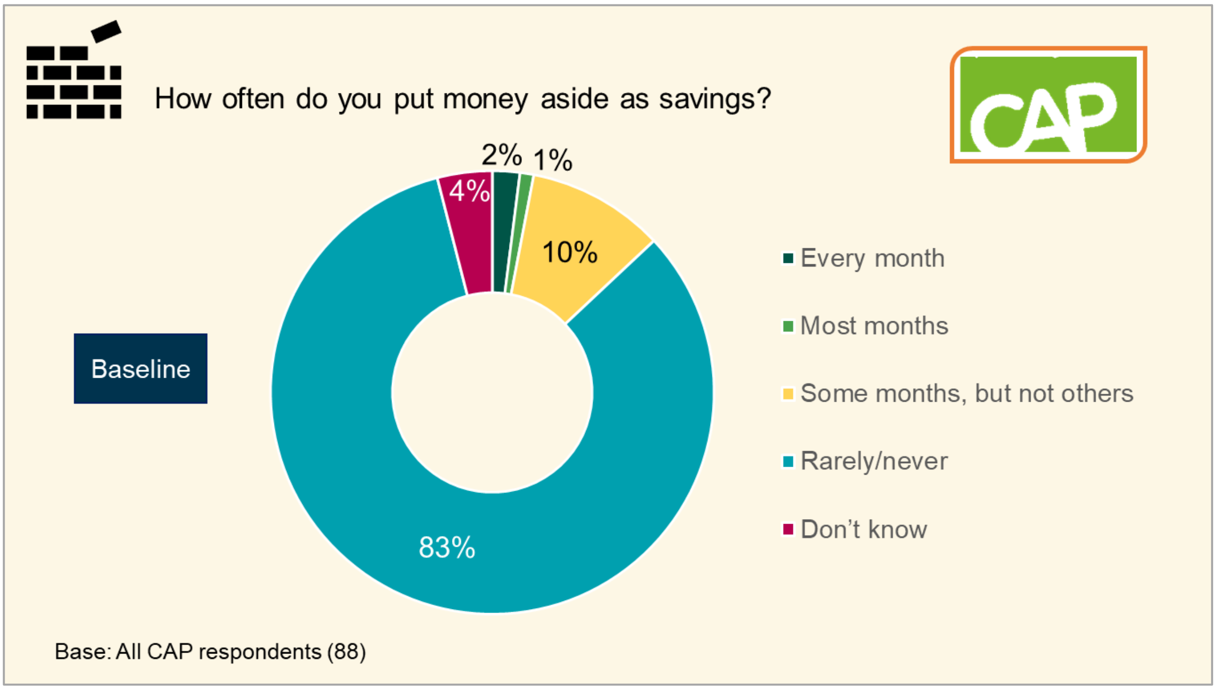
Figure 6.4 How frequently Pennysmart and National Debtline clients save money



Follow-up scores marked with an asterisk (*) denote statistically significant increases from the baseline score.

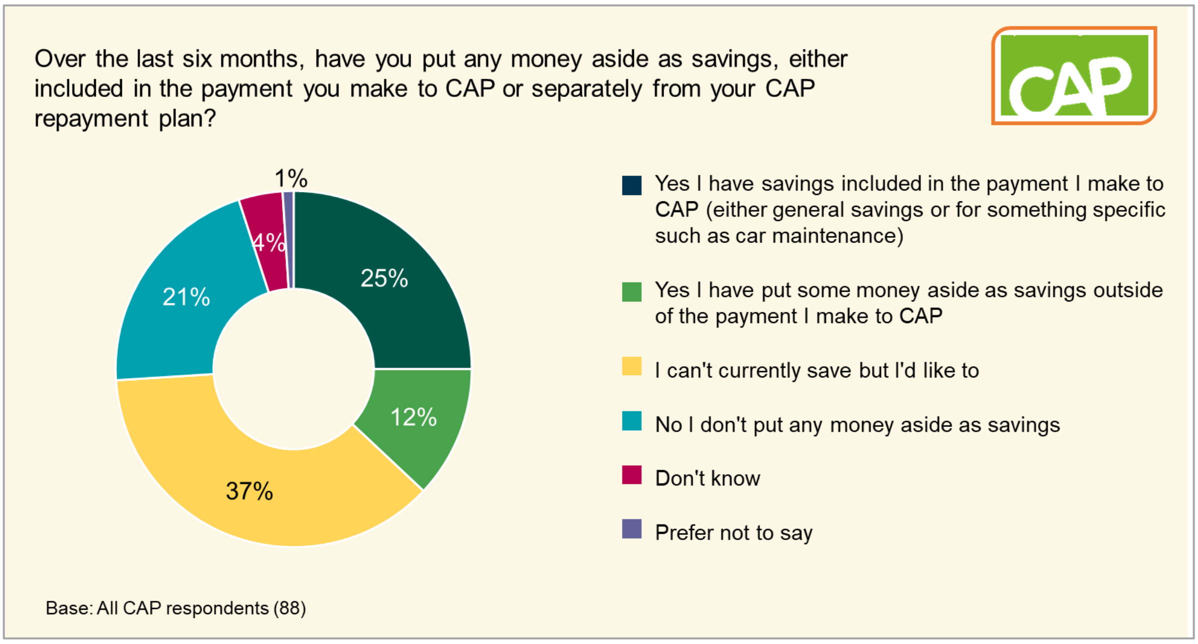
At the start of the intervention, all CAP clients were asked how often they put money aside in savings (see Figure 6.5). Most CAP clients did not save or only rarely saved, and a small proportion saved some months but not others.

Figure 6.5 How often CAP clients saved at baseline



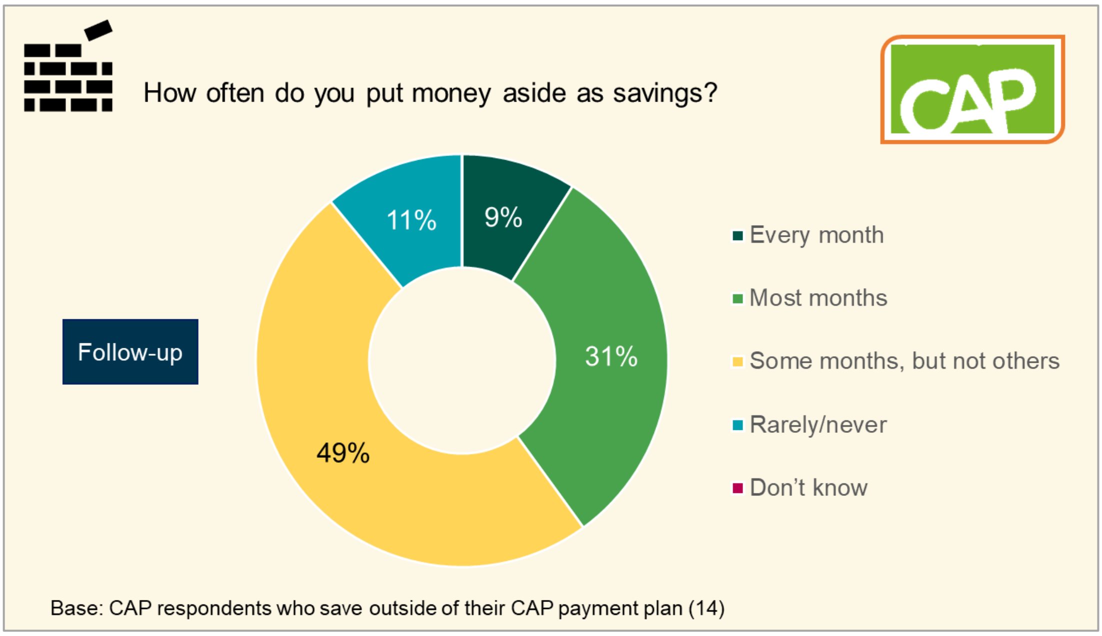
At follow-up, CAP clients were asked whether they had made any savings in the previous six months, either as part of their CAP repayment plan or independently. Just over a third were able to make savings in some respect: most likely through their payments to CAP, however the majority did not save within the first six months of the intervention (see Figure 6.6).

Figure 6.6 Savings among CAP clients in the first 6 months of the intervention



By follow-up, CAP clients who saved independently of their CAP repayment plan were most likely to save some months, but not others or most months. Less than one in ten were able to save every month.

Figure 6.7 How often CAP clients who saved independently of their CAP repayment plan put money aside at follow-up



Among Pennysmart, CAP and National Debtline clients, saving behaviours improved from baseline to follow up. The qualitative interviews among clients of all three organisations supported these findings: the majority of clients at baseline were unable to save, though a few did recognise the importance of putting money aside and had already managed to start doing so as a result of speaking to their adviser. Throughout the intervention, clients were encouraged to save by their advisers, and in some cases implementing financial capability advice helped the client to work out ways in which they could save. For one National Debtline client, awareness of how much was being spent on bills and how much they would need for generally spending each month meant they knew what they could put aside for Christmas.

> *"When the bills are paid, I know what I have got to spend and what I can put away for Christmas for my grandchildren."*
>
> National Debtline client
>
> *"It's what we can afford… and what we need. It's not about want it's about need… being able to save up and buy something a little bit better than what we need."*
>
> CAP client

It is important to note that although clients generally saw the importance of saving, and some were able to set money aside, the majority were still unable to save six months into the intervention. It is probable that by the point of follow up, some clients who started in a worse financial position had improved to a point where they were not incurring more debt, but were unable to additionally save, something that might be possible further along in their journey.

Amount of money saved

Clients who put some money aside as savings were asked how stable the amount they saved was month to month, and how much they were able to save on average each month. Due to the low base sizes of those who saved in each organisation (in particular for Pennysmart and CAP), we are unable to draw significant conclusions from the data. However, across organisations, there were indications that the amount clients were saving were becoming more stable over time.

Among National Debtline clients, there were indications that the amount clients saved was increasing: they were most likely at baseline to save between £59-99 per month (40%), though by follow-up were most likely to save over £100 per month (and the proportion saving over £100 increased significantly from 25% at baseline to 55% at follow-up).

Preparing for unexpected costs

An important element of building financial resilience is the ability to plan and be prepared for unexpected costs, such as car repairs, replacing household goods, or receiving an unexpected bill. It was observed in the qualitative baseline interviews that for the large majority, unexpected payments were a source of concern. Some clients were unsure what they would do if they had an unexpected cost and some would avoid thinking about a situation where that might happen altogether. This finding was unsurprising given the low levels of savings among individuals prior to the intervention. However, a couple of clients recognised that creating an emergency pot would be beneficial and was something they hoped to do in the future, and a couple had even begun putting away small amounts of money each month for unexpected costs.

> *"I've never had anything like that happen [boiler breaking] - if it did, I don't know what I'd do - I'd have to move things around and try and find it somehow. That's not something I think about at the moment."*
>
> CAP client
>
> *"They scare me. If my fridge freezer breaks how do I get a new one? That's why I'm keeping my overdraft."*
>
> Pennysmart client
>
> *"Hoping that after Christmas I can put some money away for house repairs."*
>
> National Debtline client

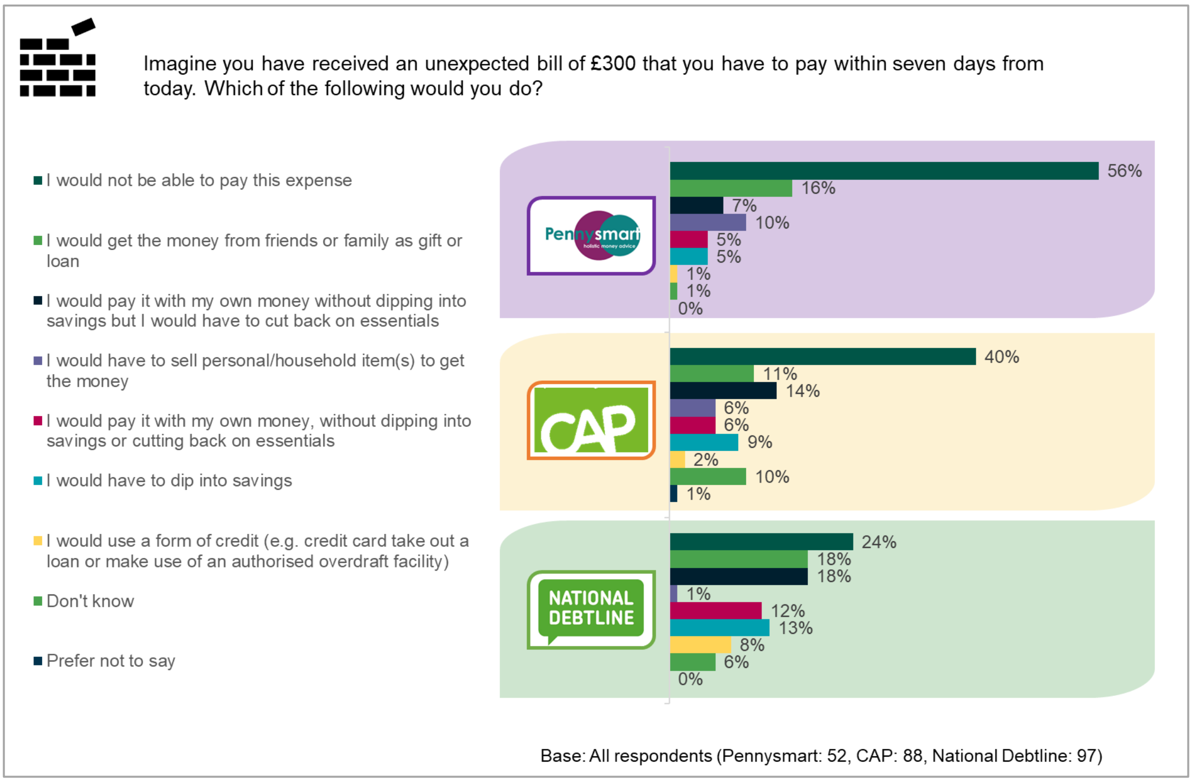
Clients who took part in the follow-up survey were asked to imagine a hypothetical situation where they received an unexpected bill of £300, which they had seven days to pay, and were asked what they would do.

Clients of each organisation were most likely to report that they would struggle to pay an unexpected bill of £300 six months into the intervention (see figure 6.8). The majority of Pennysmart clients would not be able to pay an unexpected bill of £300, some would ask family or friends for help or a loan or would sell personal or household items for money. Encouragingly, only one per cent would use a form of credit, and a few would be able to dip into savings or pay with their own money without having to use savings or cutting back on essentials.

Similarly, CAP clients are most likely to not be able to pay an unexpected bill, and some would pay out of their own money and cut back on essentials or ask friends or family for help. Only one per cent would use credit to pay the expense. Encouragingly nine per cent would be able to dip into savings and a few would also be able to pay using their own money, without using savings or cutting back on essentials.

National Debtline clients were more mixed: they are also most likely to not be able to pay the expense, although this proportion is much lower compared to the other organisations. Some think they would ask friends or family for help or pay the expense but cut back on essentials to cover it. Slightly higher proportions would be in a position to be able to dip into savings or pay the bill out of their own money (without going into savings or cutting back on essentials as well as use a form of credit, perhaps because this client group are generally more financially confident.

Figure 6.8 What clients would do in the event of an unexpected bill of £300



Focusing on those who would be able to dip into savings to cover an unexpected bill of £300, or pay out of their own money without dipping into savings or cutting back on essentials, there were significant variances between subgroups when looking at the quantitative findings at an overall level.

Clients who were employed at baseline were more likely than clients who were unemployed to suggest they would dip into savings (15% compared to 5%), but also to use credit to cover the cost (10% vs. 0%), possibly due to having an increased financial confidence in general.

A higher proportion of clients who owned their house with or without a mortgage thought they would dip into savings compared to those who rent (33% compared to 9% who rent privately and 5% of social housing tenants), whereas social housing tenants are much more likely than those who rent privately to feel would not be able to pay the expense (49% compared to 40% average).

Clients who had not experienced a mental health problem were more likely to be able to use their own money without dipping into savings or cut back on essentials compared to those who had (14% vs. 5%), as were younger clients aged 18-34 compared to older clients (17% compared to 2% of those aged 35-49 and 3% of those 50 and over), suggesting these groups are better positioned to respond to an unexpected bill.

Finally, BAME clients were more likely than White British clients to be able to use their own money without dipping into savings or cutting back on essentials (19% compared to 5%) but were also more likely to use credit (12% compared to 2%) to cover the cost. White British clients were more likely to feel they would be unable to cover the cost (46% compared to 14%).

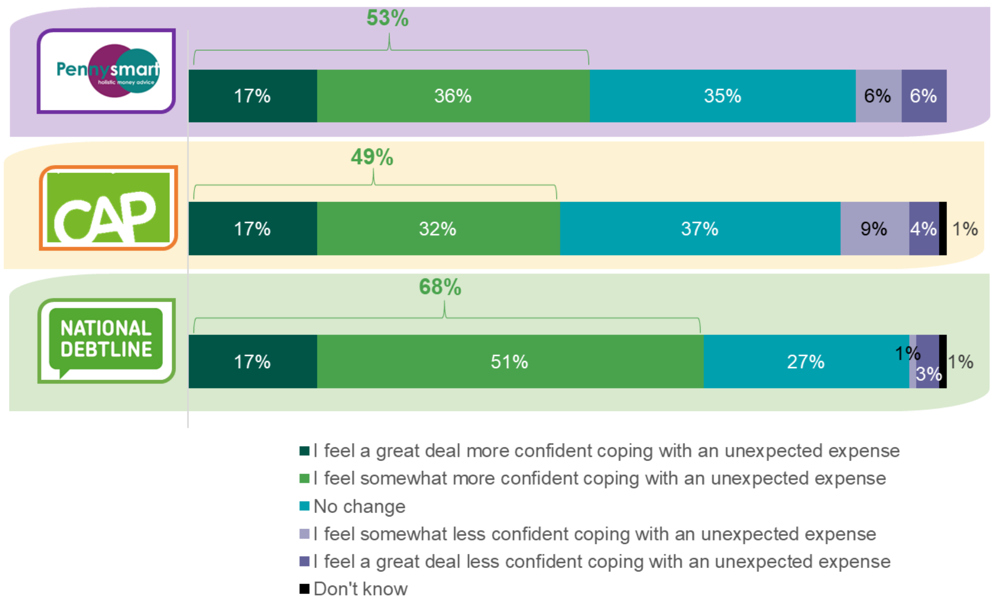
From the follow-up interviews, it was evident that unexpected costs were still a major concern six months into the intervention for most clients, and a few suggested they might have to borrow money to cover an unexpected expense. There were positive signs however that the mindset surrounding unexpected expenses had shifted for some: if the unexpected expense was for example an unexpected bill, some suggested they might speak to the creditor themselves to try to negotiate the payment, and others had reduced the possibility of unexpected expenses in other ways, such as switching from renting privately to social renting, so that some expenses such as boiler or electrics repair were covered.

> *"They do stress me out a little bit. If my washing machine broke, I would have to put it on a credit card or get financing because I wouldn't be able to pay for it straight out."*
>
> Pennysmart client
>
> *"I still don't have any savings, but there is also contacting the company and saying look, I can't afford it straight away, can I pay it this date?"*
>
> National Debtline client

Overall, confidence coping with an unexpected bill increased over the three months prior to the follow-up survey for a considerable proportion of each client group (shown in Figure 6.9). An increase in confidence in coping was evident for around half of Pennysmart and CAP clients, where almost two in ten of each client group felt a great deal more confident; very few clients felt less confident. The majority of National Debtline clients felt more confident coping with an unexpected bill at follow-up than three months earlier, with the most feeling somewhat more confident

Figure 6.9 How responses to unexpected bills have changed over the last three months

To what extent do you feel that what you would do if you received an unexpected bill of £300 has changed in the last three months?



Base: All who know what they would do in the event of an unexpected bill of £300
(Pennysmart: 51, CAP: 79, National Debtline: 90)

Across organisations, male clients were more likely to have increased confidence coping with an unexpected bill compared to female clients (68% vs. 52%), whereas female clients were more likely to show no change (38% compared to 21%). Younger clients were more likely to build confidence compared to older clients (69% for 18-34-year olds to 46% for over 50-year olds).

Maximising income

Support with maximising income appeared fairly limited throughout the interventions, most likely because some clients remained unable to work (for example due to health problems, or because they were caring for a family member) or were already on all the benefits they are entitled to. Encouraging clients to look for additional work might be better implemented later in the journey, once the client is in a more stable financial position.

It was observed during the baseline qualitative interviews that only a few clients mentioned having discussed or checked their benefits with their adviser. Other organisations might cover this ground instead, as one Pennysmart client was referred to contact Citizens Advice for benefits advice specifically, and another to Universal Credit. By the follow-up interviews, a few clients had claimed benefits that they hadn't known were available to them before. The case study below demonstrates how one Pennysmart client's situation was improved by a benefit entitlement.[21]

[21] Names given in all case studies in this report are pseudonyms

CASE STUDY: IMPROVED SITUATION VIA BENEFITS ENTITLEMENT

Hannah incurred debts from housing benefit and rent arrears. With Pennysmart's help, she was able to better understand her finances by going through her budget with the adviser and obtained a Debt Relief Order. She is now confident prioritising bill payments, shopping around for cheaper deals, reducing her gas and electricity payments and keeping a small amount of money aside for unexpected costs.

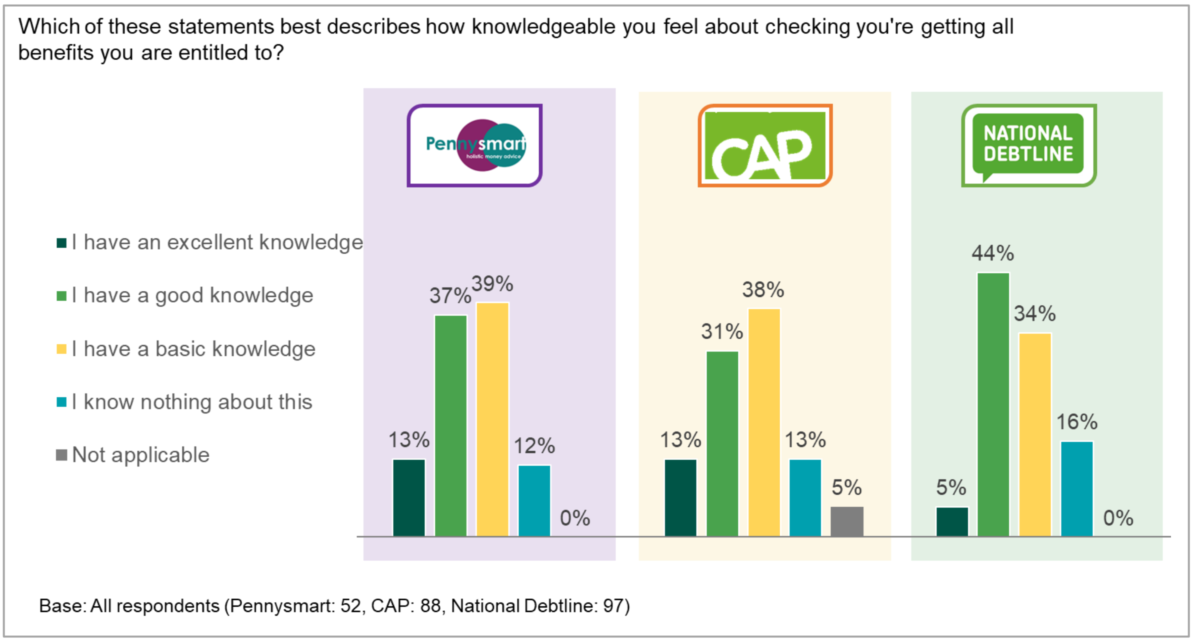
Pennysmart also helped Hannah check what benefits she was entitled to. They informed her that she was eligible for child benefit, as she had recently been granted shared custody of her 16-year-old daughter and had not realised she was entitled to further benefit income. Hannah was able to put an application through for the benefits. She felt this would make a big difference to her day-to-day finances.

It was Pennysmart, she said to me, I'm pretty sure you're entitled, because my financial outgoings went up, you're entitled to some benefits, so I looked into it. And if I hadn't had had her email, I wouldn't have been entertained, and my applications have gone in. Without that, I wouldn't have even thought to. I just assumed I would never get any support, so I just started taking the hit, and my adviser told me, and yeah, she's right.

It will do [make a difference] when it comes through because she's 16… Without that advice, I wouldn't have looked into anything else. And also, that email, the email she actually sent me kind of powered me a bit at a meeting with social workers.

The majority of clients of each organisation felt they had either good or basic knowledge about how to check what benefits they were entitled to at follow-up (see Figure 6.10).

Figure 6.10 Knowledge about checking benefits entitlement among clients at follow up

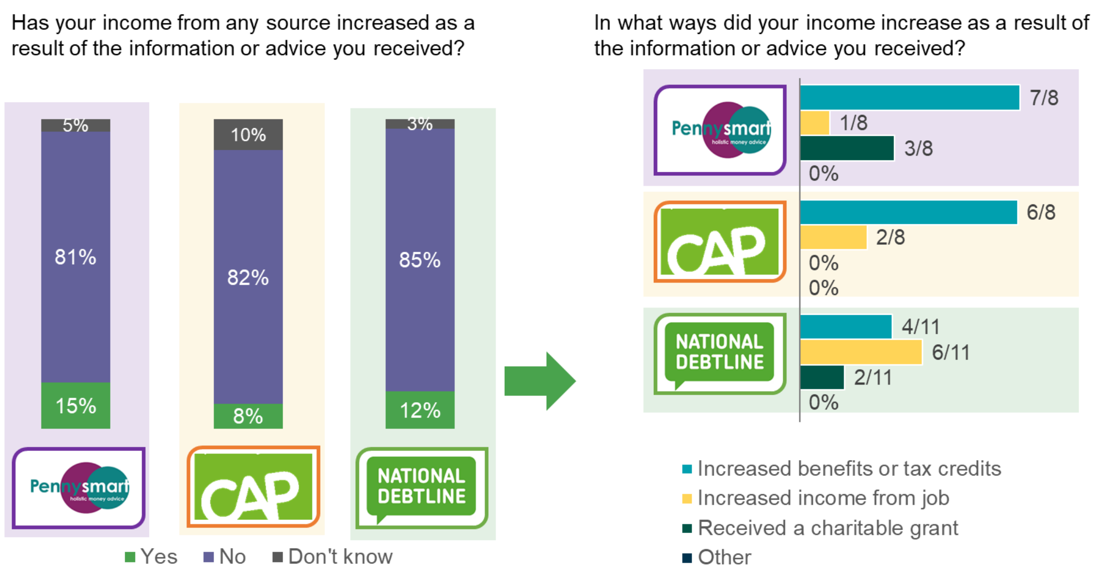


At an overall level, clients who rented privately were more likely than those who owned a house (outright or with a mortgage) or social housing tenants to have excellent knowledge of their benefits (19% compared to 0% and 6% respectively), as were clients who lived with children under 18 compared to those who didn't (15% compared to 7%), perhaps as they acquired knowledge of child-related benefits.

Few clients had seen an increase in their income as a result of the advice they received over the first six months of the intervention (see Figure 6.11).

Of the Pennysmart clients who had, the most common way their income increased was from an increase in benefits or tax credits or receiving a charitable grant. For CAP clients, increased benefits or tax credits was also the most common way for income to increase and two clients had increased income from a job. National Debtline clients were most likely to have an income increase from a job.

Figure 6.11 Whether income increased as a result of the advice and if so, in what ways it increased (follow up)



Base: All respondents
(Pennysmart: 52, CAP: 88, National Debtline: 97)

Base: All whose income increased as a result of advice
(Pennysmart: 8, CAP: 8, National Debtline: 11)

7 Impact of integrated advice: Planning and prioritising

Summary: Planning and prioritising

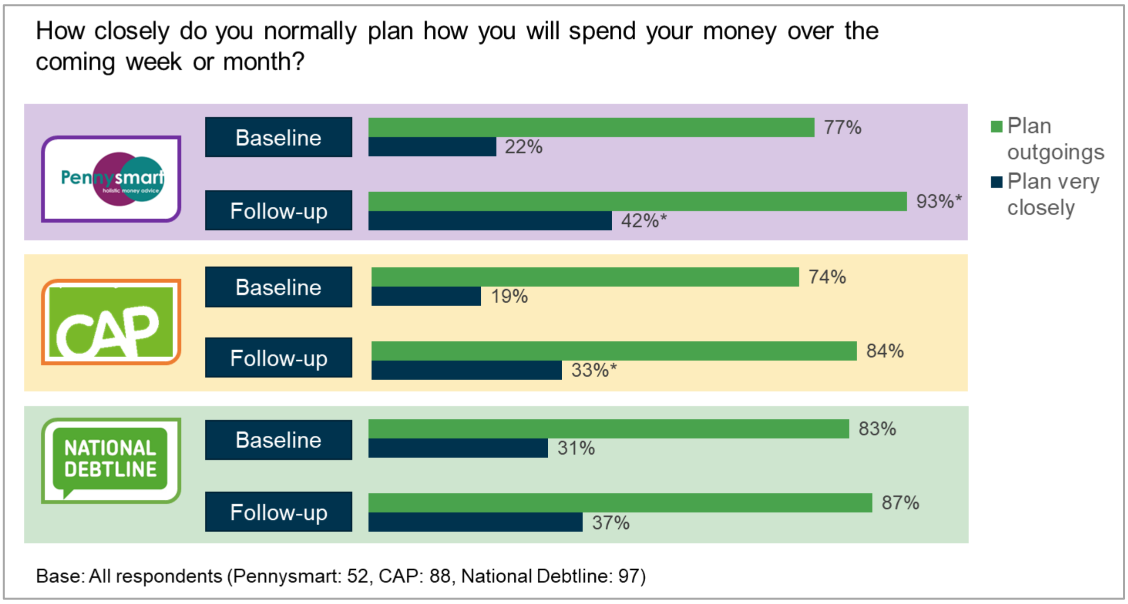
Clients of all three organisations reported improvements on a range of metrics related to this theme, including their ability to plan their spending, to keep up with household bills and credit commitments and to avoid the use of overdraft, credit and debt, as well as an improvement to their overall financial situation.

The questions ordered under the Planning and Prioritising theme in the evaluation plan aimed to measure clients' ability to use a budget or to plan incomings or outgoings, to afford essential living costs without adding to debt, to set-up and appropriately use a bank account, to set-up appropriate bill paying methods and to prioritise bills, arrears and spending.

Ability to plan outgoings

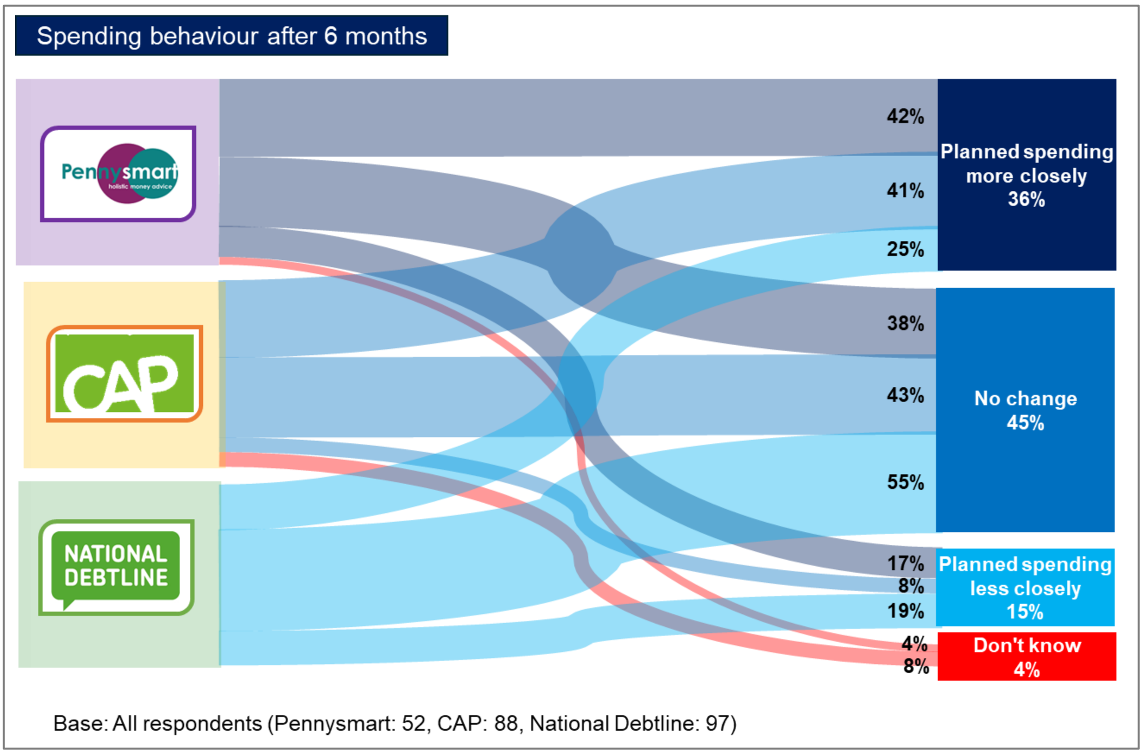
During both surveys, participants were asked how closely they normally plan how they will spend their money, for example by using a budget. As described in chapter 4, the different client groups had slightly different starting points in terms of how closely they planned their spending when they first sought advice, with National Debtline clients being more likely to plan their spending either closely or very closely at the baseline phase. As is shown in Figure 7.1, the proportion of both Pennysmart clients who said they planned their spending increased significantly after receiving support. There was a similar increase in the proportion saying they planned their spending very closely. There were no significant changes among National Debtline clients, with a high proportion still saying they planned their spending.

Figure 7.1 Ability to plan outgoings



Furthermore, a comparison of the two surveys shows a significant proportion of clients reporting an improvement in their approach to planning, as is shown in Figure 7.2 below. This demonstrates that two fifths of Pennysmart and CAP clients, and a quarter of National Debtline clients were planning their spending more closely at the six month follow up point compared to their responses at the beginning of the intervention.

Figure 7.2 Change in spending behaviour of clients after six months



The impact of receiving financial capability support: planning outgoings

Those who recalled receiving financial capability support were more likely to report an improvement in their approach to planning outgoings (39% said they planned compared with 21% of those who did not recall receiving financial capability).

At an overall level, male clients were more likely to report an improvement in their approach to planning (47% compared with 31% of females).

Clients taking part in the qualitative interviews often described creating a budget as a turning point which helped them realise both a need to reduce their spending and ways to do so. While some had been using budgets prior to their interactions with the organisation, others had drawn up a budget in collaboration with their adviser or coach and acknowledged that they would not have thought to use one independently.

> *"Seeing the budget in front of me; I know what I need for now and what can be saved to the following week…. before I would just have spent it…that's the difference [CAP made]."*
>
> CAP client

While some clients described a detailed written budget, which was updated every week or in some cases every day, others took a more informal approach. Some clients said they did not use a written budget but felt they had a good idea of how much they needed on a monthly basis to cover bills and food and would stick to this. Others said they did not use a budget but simply did not spend money on anything they did not need. These clients tended to pay their household bills first and put whatever money was left towards food and other necessary purchases.

> *"I don't purchase anything I don't need any more. I stop and think about whether I really need them. At one time I would have just gone out and come back with carrier bags full of stuff whereas these days I'm happier with what I've got."*
>
> National Debtline client

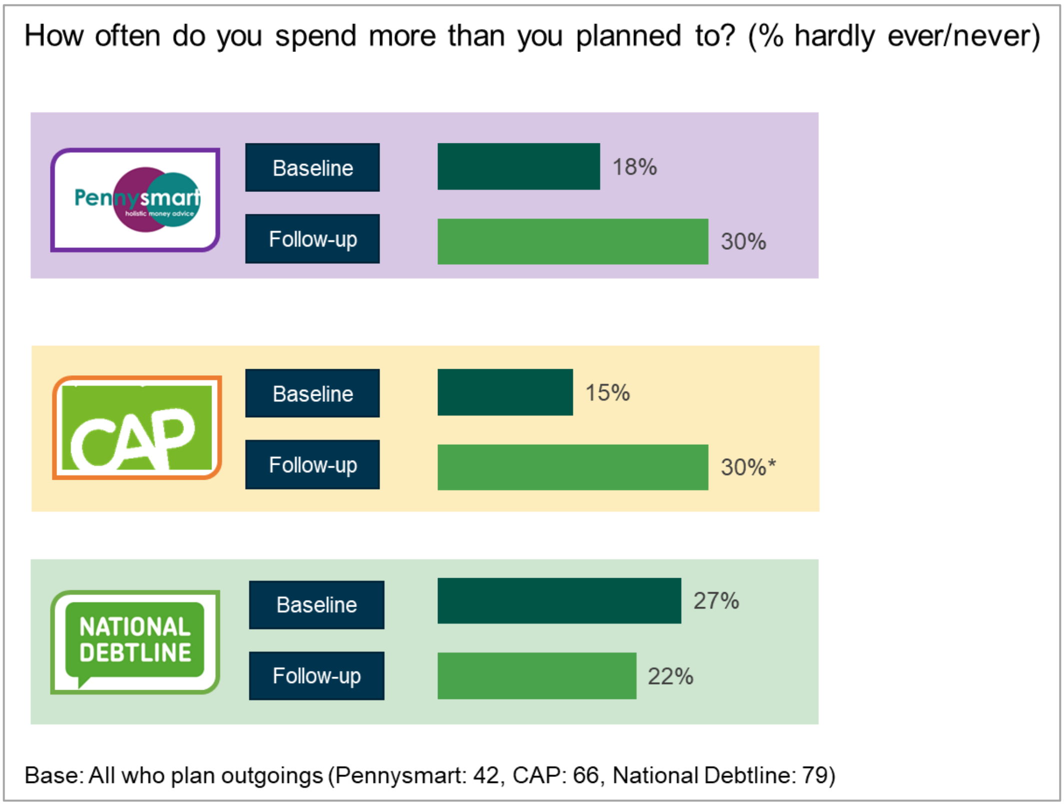
For many, drawing up a budget also enabled them to consider when certain bills needed to be paid and what payments to prioritise, and built this schedule into their budget.

> *"I know exactly what is going out and roughly the date it is going out. I know exactly how much I have got to spend. I feel on top of it...I used to be like, 'oh I want it I'll buy it'. I used to be that bad. But now, it's a case of, do I need it, is it an essential? If it's not I make sure I have the essentials first."*
>
> National Debtline client

There were also some clients who were in difficult financial situations and did not think there was scope to budget. These clients would prioritise essential bills but did not have much left for other expenses such as food and in some cases were dependent on food banks.

The advice and guidance received may also have had a positive impact on clients' ability to stick to their plan in terms of spending money. Among CAP clients there was an increase in the proportion saying they rarely or never spent more than they had planned (increases among the other two client groups were not statistically significant).

Figure 7.3 Proportion spending more than intended

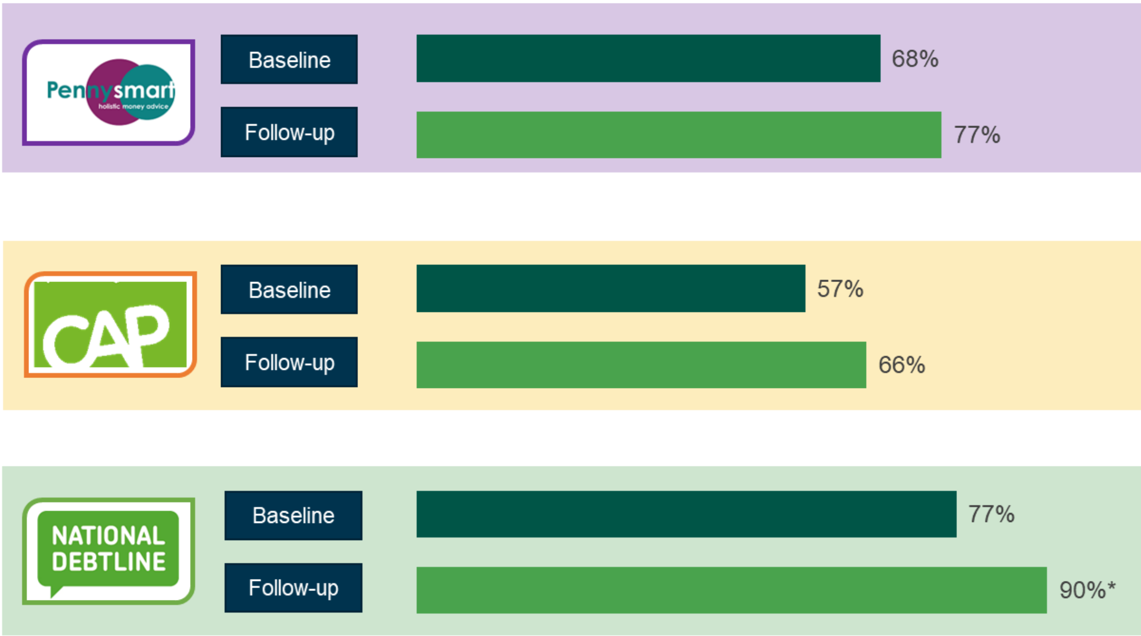


Prioritisation of bills and arrears

Participants were asked in both surveys how confident they felt choosing which bills or debts to pay when they did not have enough money to pay them all. While confidence levels were fairly high at the start of the intervention, clients however reported an increase in confidence six months after receiving support, and this was especially the case among Pennysmart and National Debtline clients. The proportion saying they felt 'very confident' also increased significantly from around a fifth at baseline to two fifths at follow-up.

Figure 7.4 Confidence prioritising bills and arrears

How confident do you feel choosing which bills are the most important to pay? (% confident)



Base: All respondents (Pennysmart: 52, CAP: 88, National Debtline: 97)

Most clients who took part in the qualitative follow-up interviews felt they had a good understanding of which bills to prioritise. The process of setting up a budget often prompted clients to think more about when to pay important bills and subsequently to set up direct debits for the beginning of the month to ensure these got paid before spending money elsewhere.

> *"I feel more in control even though there are aspects that I cannot control. [What made the difference] was an awareness of what I should be focusing on in terms of paying my bills and not to get myself financially overleveraged."*
>
> Pennysmart client
>
> *"Seeing the budget in front of me; I know what I need for now and what can be saved for the following week….before I would just have spent it…that's the difference…The adviser going through everything with me, prioritising my spending and getting me to think what I would need and when...sort of future planning for me."*
>
> National Debtline client

Those taking part in the qualitative interviews also reported having a better understanding of which debts to prioritise. For many, having multiple debts felt overwhelming and having a better understanding of which ones to prioritise gave clients an increased sense of control over their situation.

> *"I did not know some arrears were non-priority. I did not know the difference so the pressure from the council, the credit card company, it was the same. But when I got to know the credit*

card companies were not a priority, it gave me the confidence to talk to them and say 'I have to pay my rent and energy bills first, and this is what I have left to pay."

National Debtline client

Pennysmart clients taking part in the follow-up survey were also asked the extent to which their relationship with their bank had changed as a result of the help they received. Around a third (34%) said their relationship with their bank had improved, while just over half (57%) said the relationship had not changed.

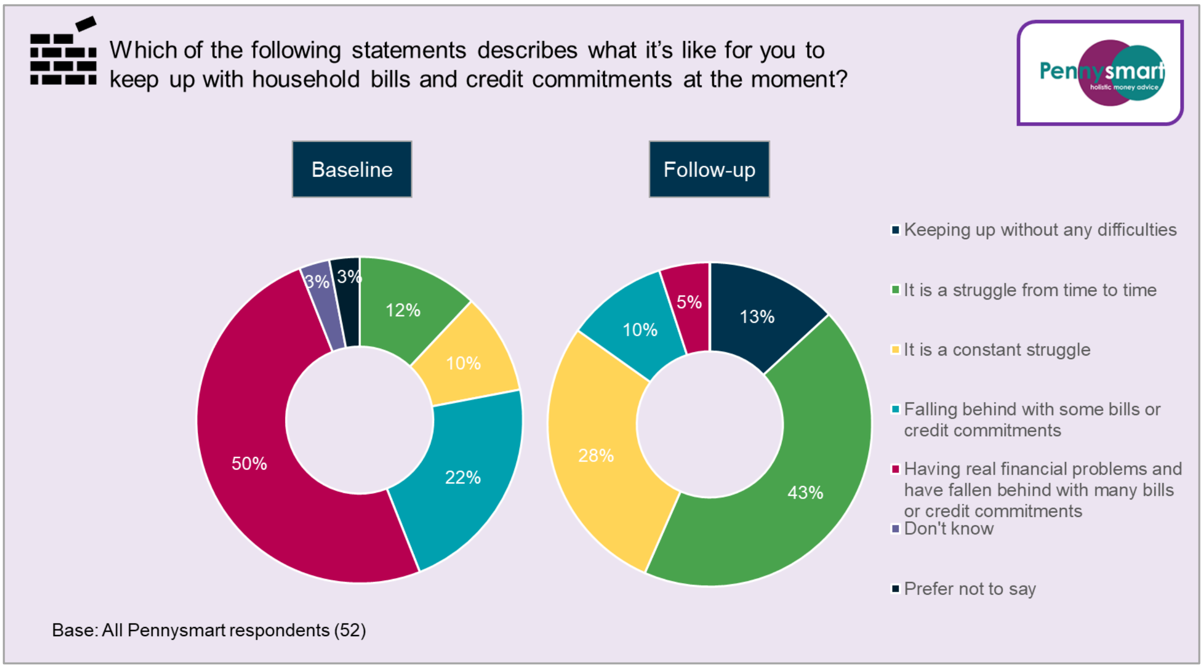
Keeping up with bills and credit commitments

Participants in the surveys were asked in both waves whether they were able to keep up with bills and credit commitments. As described in chapter 4, this was again an area where the different organisations' client groups typically had quite different starting points, with Pennysmart clients being most likely to experience real difficulties keeping up with payments. While half (50%) of Pennysmart's clients reported having real financial problems and had fallen behind with many bills and credit commitments at the start of the intervention, this had decreased to only five per cent six months after first receiving advice.

Conversely, the proportion keeping up had increased significantly from one in ten to over half, including one eighth saying they were keeping up without any difficulties.

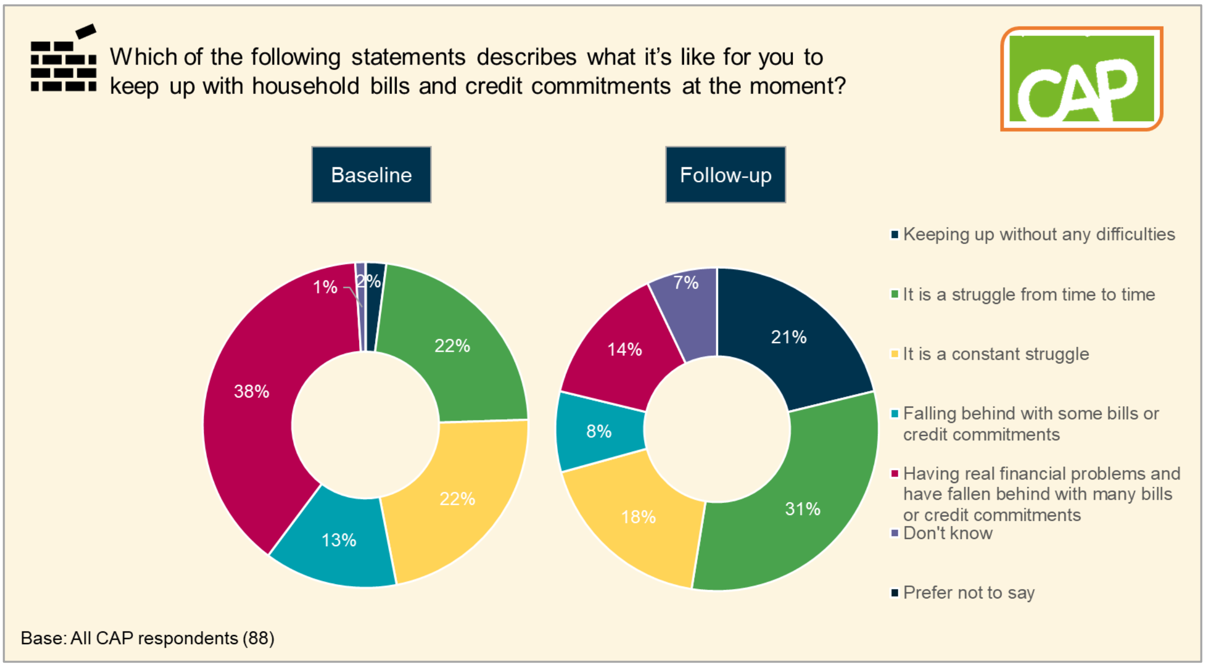
The effect for Pennysmart clients who were keeping up without any difficulties was particularly high (effect size of 0.63 for Pennysmart compared to 0.28 for CAP and 0.30 for National Debtline), suggesting that this was an area of great improvement for Pennysmart clients in particular.

Figure 7.5 Keeping up with bills and credit commitments (Pennysmart)



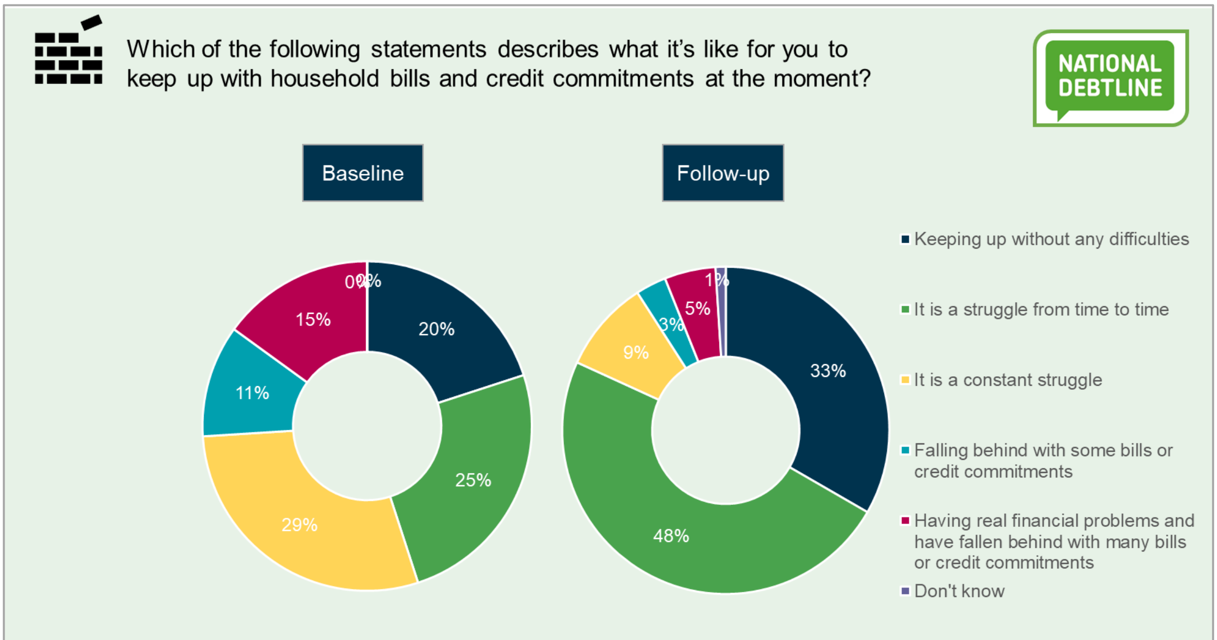
CAP clients similarly reported an improvement in their ability to manage their expenses. While the proportion saying they were keeping up increased from a quarter (24%) to over half (52%), the proportion experiencing real financial difficulties decreased from nearly two fifths (38%) to one in seven (14%).

Figure 7.6 Keeping up with bills and credit commitments (CAP)



Improvements in their ability to keep up with bills and credit commitments were also found among National Debtline clients. While more than two fifths (45%) said they were keeping up with bills and credit commitments when they first started receiving support, this increased to eight in ten (81%) six months later. Conversely, the proportion experiencing real financial problems dropped from 15 per cent to only five per cent.

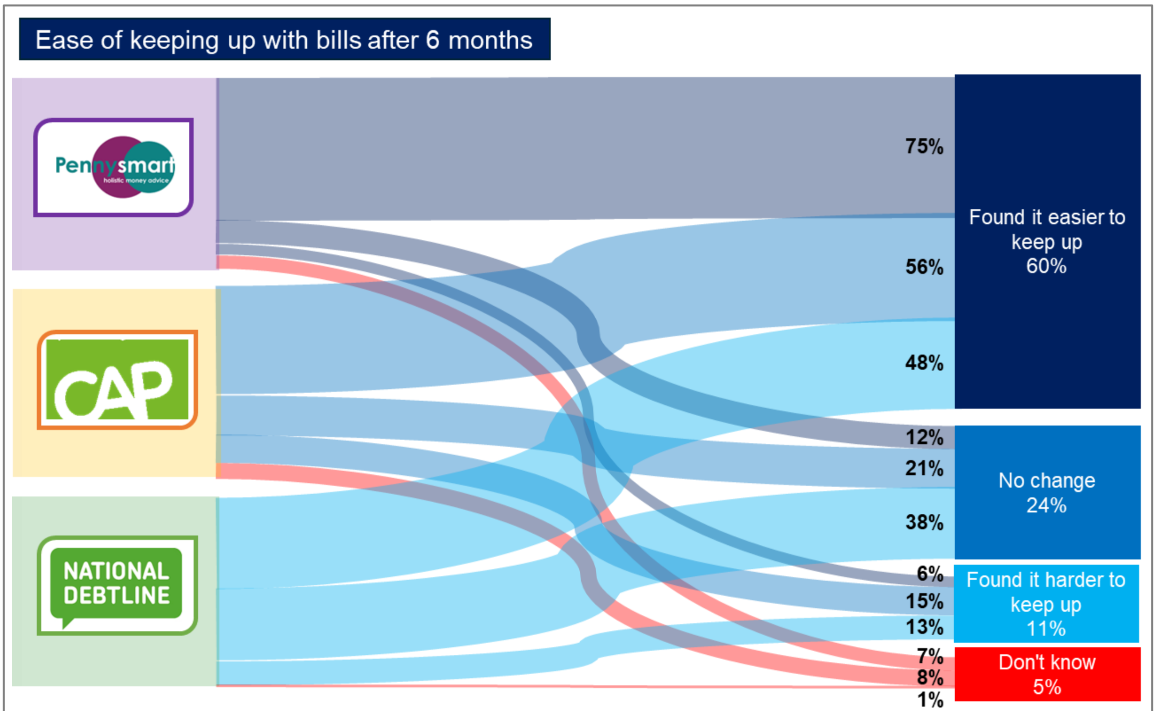
Figure 7.7 Keeping up with bills and credit commitments (National Debtline)



Base: All National Debtline respondents (97)

Using comparisons between the baseline and follow-up surveys, Figure 7.8 below shows the change in how easy or difficult clients found it to keep up with bills and credit commitments from when they first sought advice to six months later. This illustrates that three quarters of Pennysmart clients and around half of CAP and National Debtline clients were finding it easier to keep up after six months.

Figure 7.8 Change in keeping up with bills and credit commitments at six-month follow-up



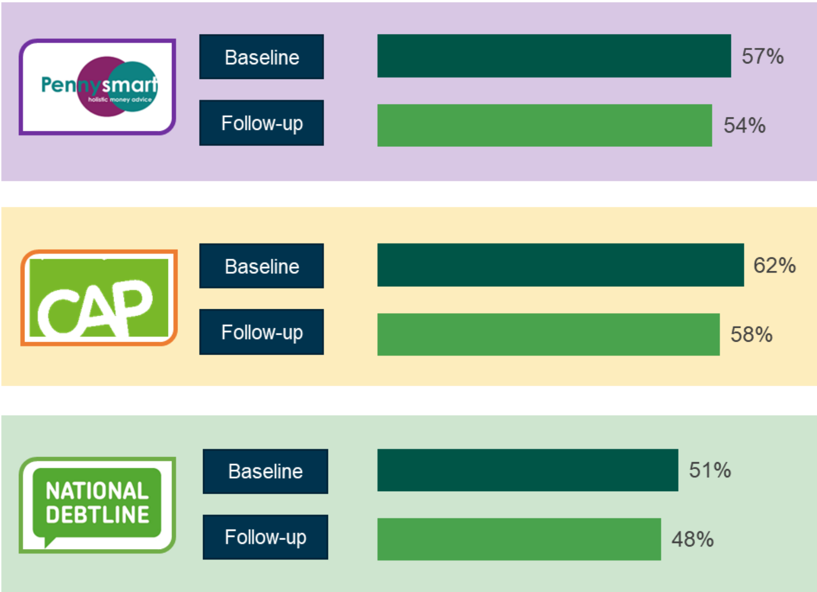
Base: All respondents (Pennysmart: 52, CAP: 88, National Debtline: 97)

Managing a bank account

Clients of all three organisations took a similar approach to managing their bank account. The majority of clients said they checked their account every day and reported no change to this behaviour six months after receiving advice. A smaller proportion of clients said they checked their account at least once a week six months after receiving support (29% of Pennysmart clients, 24% of CAP clients and 39% of National Debtline clients), similar to the proportions reporting this at the start of the intervention.

Figure 7.9 Checking money in current account

How often do you normally check how much money is in your current account? (% every day)



Base: All respondents (Pennysmart: 52, CAP: 88, National Debtline: 97)

Avoiding credit, overdrafts and debt

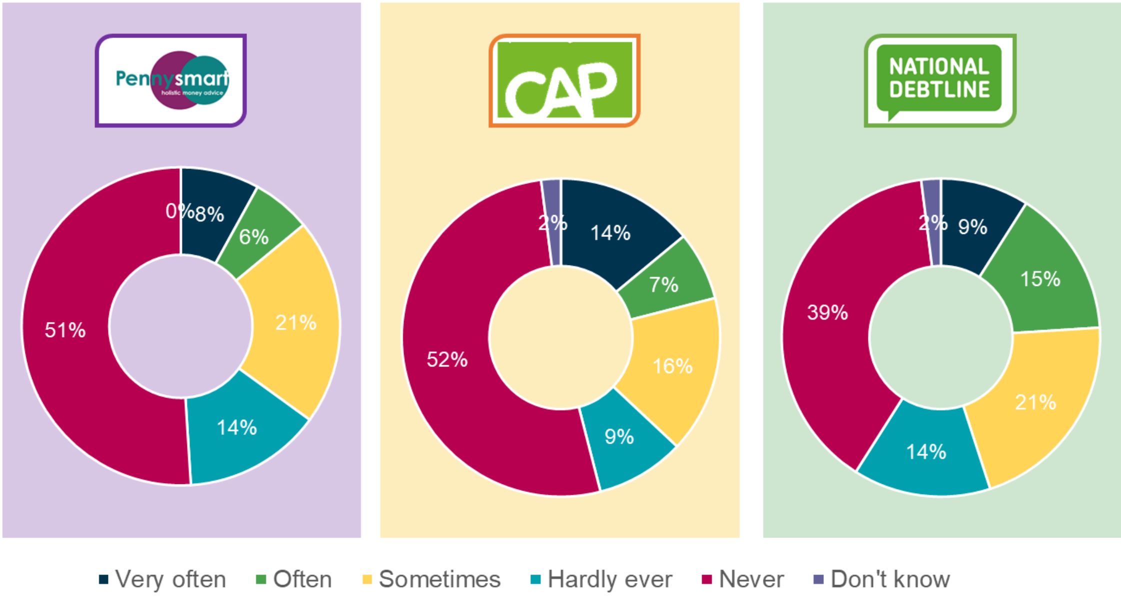
Six months after first receiving support, clients largely said they had avoided using a credit card, overdraft or borrowed money in the last three months, in order to pay for food or pay bills because they had run out of money. Half (51%) of Pennysmart clients said they had never done this, although over a third (35%) had done this sometimes or often.

Similarly, just over half (52%) of CAP clients said they had never used a credit card, overdraft or borrowed money in the last three months, while 37% had done this sometimes or often.

While four in ten (39%) National Debtline clients avoided credit cards, overdraft and debt a larger proportion (45%) had done this sometimes or often.

Figure 7.10 Avoiding credit, overdraft and borrowing money

How often over the last three months have you / your household used a credit card, overdraft or borrowed money to buy food or pay bills such as rent because you've run short of money?



Base: All respondents (Pennysmart: 52, CAP: 88, National Debtline: 97)

At an overall level, those over 50 were more likely to say they had never used credit, overdrafts or borrowed money (63% compared with 35% of 18-34-year olds and 46% of 35-49-year olds). Clients of a white British background were also more likely to say they had never done this in the last three months (52% compared with 33% of those from other ethnic backgrounds). Clients living with dependent children were more likely to say they had used credit, overdraft or borrowed money very often (17% compared with 6% of those without dependent children).

Participants in the qualitative follow-up interviews largely described avoiding credit or overdraft, through the use of budgets or strict spending limits. A few however acknowledged still feeling dependent on credit or overdrafts to cover their fixed expenses. Others said they avoided credit or overdraft but that they would have no other choice if an unexpected expense came up and a few had already asked a relative to take out a loan or use credit on their behalf to pay for unexpected expenses, such as a broken washing machine.

Overall financial situation

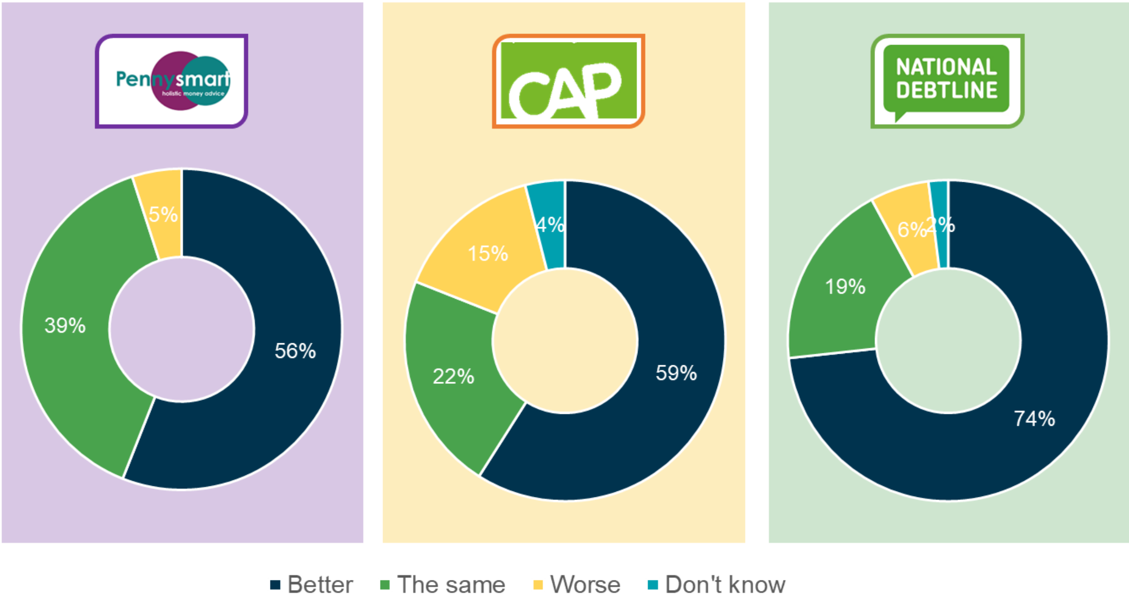
The majority of clients surveyed from all three organisations said they were in a better overall financial situation six months after first seeking advice or information. More than half (56%) of Pennysmart clients said their overall financial situation was better, although four in ten (39%) said their situation was unchanged.

Similarly, three fifths (59%) of CAP clients said their overall financial situation was better, while a fifth (22%) felt their situation was unchanged and one in seven (15%) that their financial situation had gotten worse.

The majority (74%) of National Debtline clients said their overall financial situation had improved, while a fifth (19%) said their situation was unchanged.

Figure 7.11 Overall financial situation

Thinking about your overall financial situation now, is it better, worse or about the same as when you first sought advice or information?



Base: All respondents (Pennysmart: 52, CAP: 88, National Debtline: 97)

The majority of those taking part in the qualitative follow-up interviews described being in a much better financial situation. Some had managed to reduce their outgoings enough to feel confident that they could live on their income, with a few even setting aside a bit of money every week or month. For others, merely knowing that there was a plan in place for becoming debt free and having a strategy for managing their spending in order to stick to this plan made the situation feel better.

A few of those who described a significantly improved financial situation ascribed this partly to a significant reduction in their outgoings, often due to a change in accommodation and therefore a reduction in rent, which was unrelated to the advice provided by the organisations.

There were however some participants in the qualitative work who had not seen much improvement in their financial situation. These tended to be individuals on very low incomes or who were dependent on benefits. These clients did not think their income allowed them much flexibility to make different decisions about spending or to save money for unexpected expenses. They were also likely to already be implementing strict money management routines, such as only buying discounted food and therefore did not feel there was much scope to make their money go further. These clients were largely still positive about the organisation they worked with, but felt their situation was too complex or the organisations to resolve. For some, the financial situation was still in crisis, with upcoming court cases, DROs or bankruptcy filings still in progress.

CASE STUDY: LACK OF IMPROVEMENT TO FINANCIAL CIRCUMSTANCES

Rosie had multiple debts when she first contacted CAP for help. She was very positive about the experience and felt CAP were helpful. Her debt coach went through her paperwork and helped her set up a budget. The support made her feel less stressed and reduced her anxiety.

Her debt coach reviewed her circumstances and recommended that she get a DRO, but the severity of her financial situation meant she was unable to pay the £90 fee. Rosie did not think she could receive further support from CAP as she was unable to follow their advice.

Rosie's financial situation had worsened considerably since she first contacted CAP. Her debts had not been resolved and she had fallen into rent arrears after spending time away with her mother and paying for Christmas presents. She also suffered complications during her pregnancy and spent time in the hospital, which added to what already felt to Rosie like a chaotic situation.

Rosie had a history of mental health problems and described struggling with this at the time she engaged with CAP. Although she found the financial capability advice useful, she had been unable to implement any of the advice as she did not feel able to mentally engage with her situation. While she initially felt a confidence boost from speaking to CAP, her increasing financial distress and increasing amounts of contact from lenders had led her stress and anxiety levels to go up again.

I haven't really been coping too well with my debts. I called one of them the other day but that led to me crying down the phone to them.

Rosie did not feel she had a plan for resolving her debt. She was prioritising rent payments and tried to set aside money for debt payments, but it was rarely more than £5 per month.

I haven't really thought about [a plan for paying my debt], I haven't really gone through that. It's something I really should do just to get a bit of peace of mind.

8 Impact of integrated advice: Dealing with debt

Summary: Dealing with debt

At an overall level, **clients reported improvements in the extent to which they had a plan for paying off or reducing their debts and a good understanding of the steps needed to do so**.

Clients felt relatively confident speaking to their lenders six months after receiving advice and the majority felt the advice had improved their confidence levels.

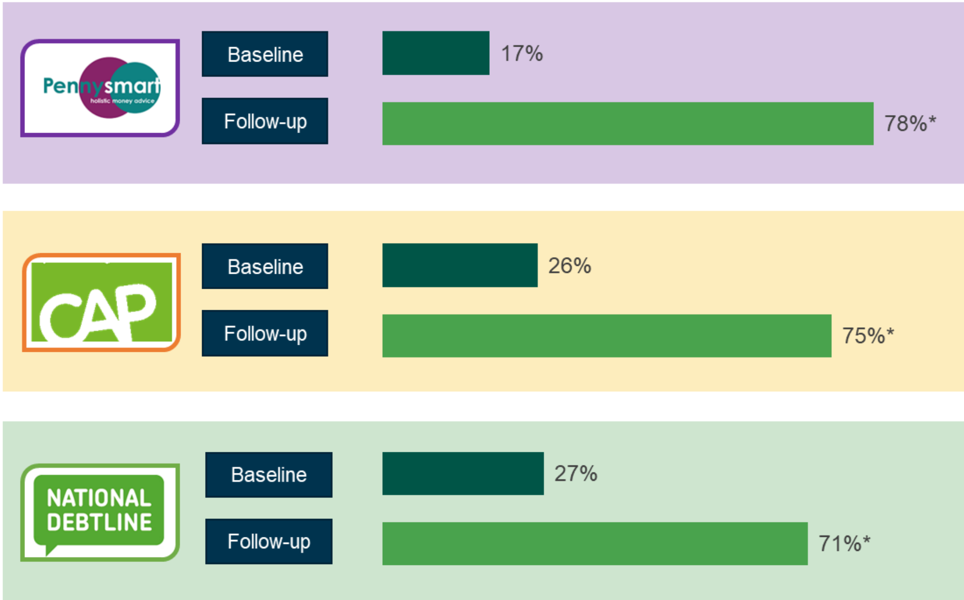
The questions included in this theme aimed to measure the extent to which clients had identified a suitable debt solution, whether their confidence dealing with debtors or fear of debtor action had changed and whether they had a plan for managing their debt, completing their debt management plan and avoiding future debt.

Plans for managing debt

The proportion of clients who felt they had a plan for how to pay off or reduce their debt increased significantly among all three client groups. As shown in Figure 8.1, among Pennysmart clients, the proportion increased from only 17 per cent to almost eight in ten (78%) six months later, with a relatively large effect (effect size 0.56, among the highest of all results in the evaluation). Similarly, the proportion of both CAP and National Debtline clients who felt they had a plan increased from around a quarter to over seven in ten. This showed a moderate effect for both organisations (the effect size of CAP's result was 0.38 and National Debtline's was 0.37).

Figure 8.1 Plans for paying off or reducing debts

How much of a plan do you have about how you will pay off or reduce your debts? (% have a plan)



Base: All respondents (Pennysmart: 52, CAP: 88, National Debtline: 97)

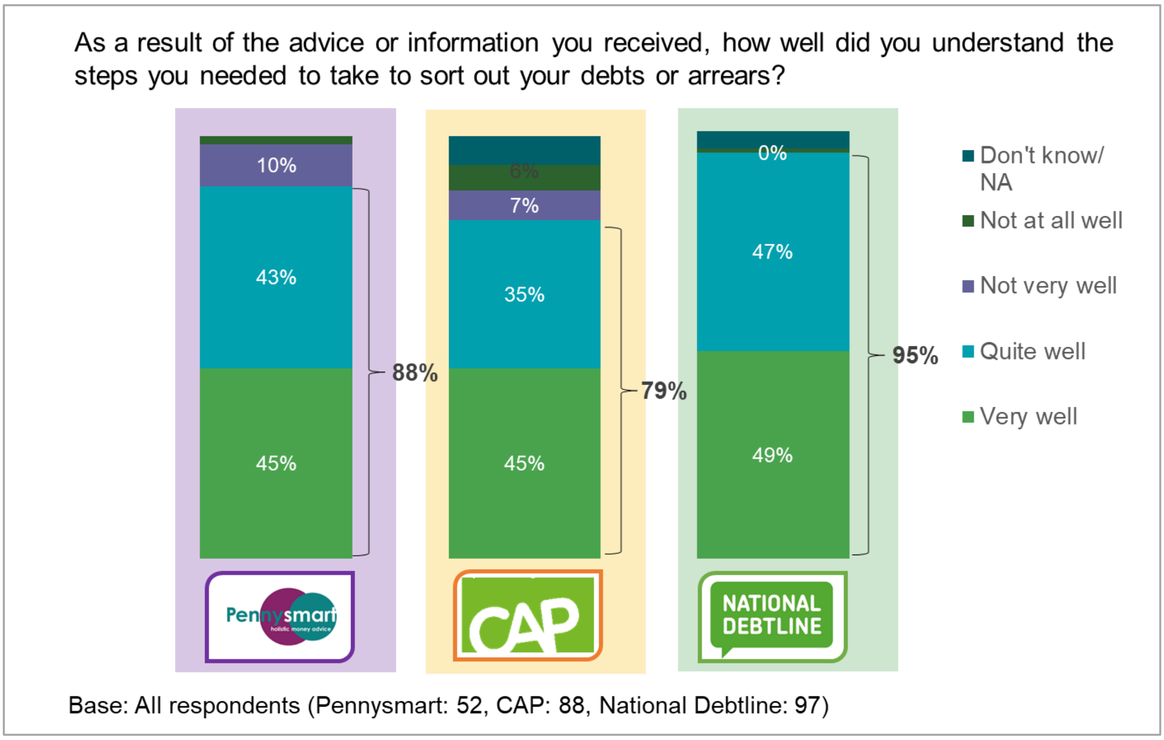
While there were no significant differences at the organisational level, at an overall level results show that younger clients were more likely to say they had a plan for resolving their debt issue (85% of 18-34 year olds compared to 68% of 35-49 year olds and 70% those over 50). Clients from BAME backgrounds were less likely to say they had a plan in place (62% compared to 77% of clients from White backgrounds).

Participants in the survey also reported a good understanding of the steps needed to sort out their debt or arrears as a result of the information and advice they had received, with eight in ten or more of clients saying they understood these well or very well.

The impact of receiving financial capability support: having a plan to resolve debts

Those who recalled receiving financial capability support were both more likely to say they had a plan for resolving their debt during the follow up survey (82% compared to 45% of those who did not recall receiving financial capability support) and more likely to report an improvement in the extent to which they had a plan between the two surveys (73% compared to 41% of those who did not recall).

Figure 8.2 Understanding of steps needed to sort out debts or arrears



Participants in the qualitative interviews described a significant shift in their understanding of the steps needed to resolve their debt and the extent to which they had a plan in place. While participants in the first interviews expressed a sense of relief that someone was able to help them and were hopeful about their adviser's ability to help, they largely did not have a good understanding of the next steps. By the follow-up interviews, the majority of participants felt they had a plan in place and understood the next steps. The exception to this tended to be individuals who were still in a financial crisis and awaiting the outcome of bankruptcy or DRO filings or an upcoming court ruling.

Having a plan was often described as leading to feelings of being in control and of hope that the situation could eventually be resolved. Participants described a shift from the situation feeling overwhelming, chaotic and scary to a sense of being in control and having the power to change their situation for the better.

> *"I used to wake up every day feeling anxious, thinking I go to work just to pay my bills. Nothing left at the end of the day. But I have changed things now for myself, and only I could make those changes."*
>
> Pennysmart client

Confidence speaking with creditors

Clients of all three organisations reported feeling relatively confident speaking to their lenders six months after they started receiving support. While CAP clients appeared to be somewhat less confident speaking to their lenders (29% said they were confident, 56% were not confident) this is perhaps not surprising given that a core part of CAP's offer is to take on communication with lenders from their clients, who are often highly vulnerable.

Figure 8.3 Confidence speaking to lenders

Base: All respondents (Pennysmart: 52, CAP: 88, National Debtline: 97)

At an overall level, male clients were more likely to say they felt confident (59% compared with 40% of female clients).

The impact of receiving financial capability support: confidence speaking to creditors

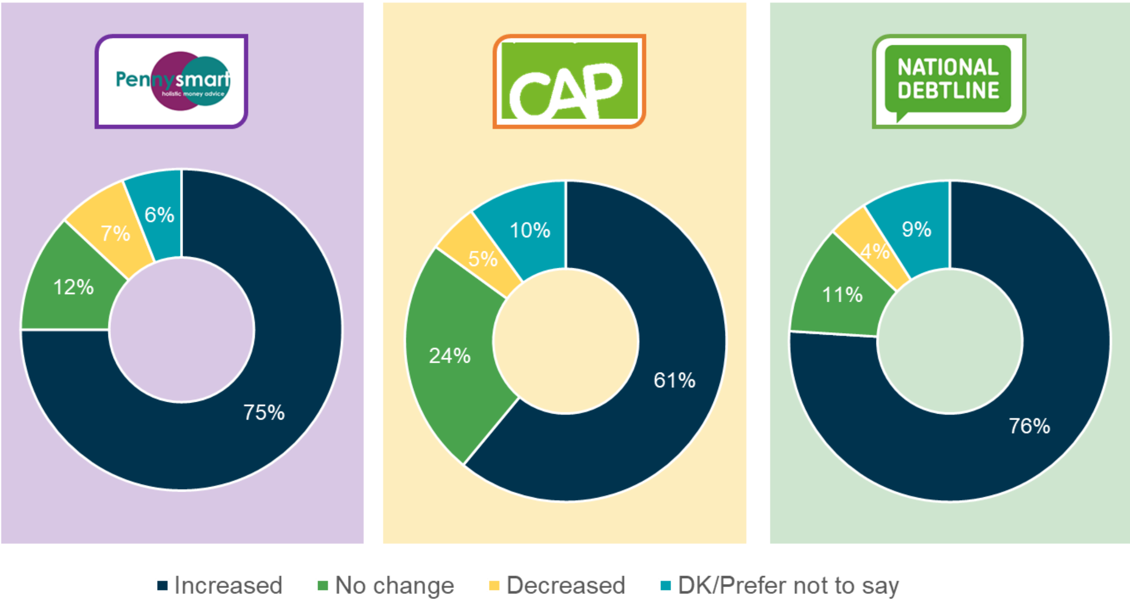
Those who said they recalled receiving financial capability support were more likely to say they felt confident compared with those who did not recall (56% and 27% respectively).

Participants in the surveys were also asked to what extent they felt the support they had received from the organisation had impacted their confidence talking to lenders and the majority of clients across all three organisations said their confidence had improved. Among both Pennysmart and National Debtline clients around three quarters (75% and 76% respectively) said their confidence had improved. Among National Debtline clients, those with experience of mental health issues were slightly more likely to say their confidence had improved (86% compared with 70% of those without experience of mental health problems).

Despite the different service model, results were only slightly lower for CAP clients, with six in ten (61%) saying their confidence had increased as a result of support from CAP.

Figure 8.4 Organisations' impact on confidence speaking to lenders

To what extent would you say your financial confidence talking to organisations you owe money to has increased or decreased because of help from the grantholder?



Base: All who gave confidence score (Pennysmart: 52, CAP: 85, National Debtline: 97)

Participants in the qualitative follow-up interviews frequently spoke of feeling more confident speaking to their lenders. This increased confidence meant clients felt better equipped to deal with their debt independently going forward and to resolve any future issues without support. Several however acknowledged that knowing the organisation 'had their back' made them feel more confident speaking to lenders themselves.

> *"It was about telling people actually you're going to have to wait and having the confidence to do that because you've got the backup [from CAP]…knowing that I can turn around to any of my creditors and say CAP are helping me, and they knew who I am talking about, and they were like 'oh that's fine."*
>
> CAP client

Some were also surprised that speaking to lenders or debtors was even an option and that they in most cases were willing to help. This made dealing with debt feel less overwhelming and scary for many clients.

> *"I realised people you are owing money to are there and willing to help you and not just take your money. If you contact them, they will help"*
>
> National Debtline client

For many, the increased confidence was linked to a better ability to prioritise bills and arrears. Clients described a better understanding of which debts to prioritise but also which creditors to prioritise speaking to in order to arrange payment plans, such as gas or energy providers.

CASE STUDY: CONFIDENCE SPEAKING TO LENDERS

Beth had been struggling with debt for over two years when she first contacted Pennysmart. She had a history of very poor mental health and received support from a mental health support worker. Her financial difficulties were partially caused by losing her PIP payments. She appealed the decision and her PIP had since been reinstated, which had a positive impact on her finances. With the help of a housing charity she had also moved into more affordable accommodation, which reduced her outgoings significantly.

Beth was very positive about the support from Pennysmart. She found the adviser supportive, understanding and reassuring. Pennysmart offered to set up a payment plan for her and to manage her debt on her behalf. Beth declined this as she was confident she could pay her debts off quicker than Pennysmart had suggested. She also acknowledged that she felt quite confident when it came to money and preferred to handle the situation herself.

For Beth, the most valuable element of the support from Pennysmart was guidance on prioritising bills and arrears and how to speak to lenders. She had previously been terrified of being evicted from her home and so learning that it was possible to speak to housing organisations about her difficulties, and the right way of doing so, was an eye opener for her. Learning how to prioritise bills and arrears and how to go about speaking to those you owe money to had led to a reduction in stress and anxiety for Beth.

I don't feel as worried, I don't feel as stressed. I seem to be doing alright and I'm coming out of it.

Beth has been in contact with her landlord and her gas and electricity suppliers to discuss her financial situation and agreed payment plans. Although she felt her situation was still 'very tricky' she felt it was improving and could see a way forward.

As CAP's service model was somewhat different it is not surprising that CAP clients in the qualitative follow-up interviews felt slightly differently. These clients instead expressed relief at having the responsibility taken off them. In many cases these were very vulnerable individuals who did not feel able to manage communications with their lenders on their own.

> *"The most helpful was the fact that they have managed to take me on and that they have managed to take on all of my paperwork to help start a budget plan and obviously that has helped me out a lot because it has taken a lot of stress off my shoulders".*
>
> CAP client

Not all CAP clients however took this approach, and some had decided to deal with some of their debt themselves:

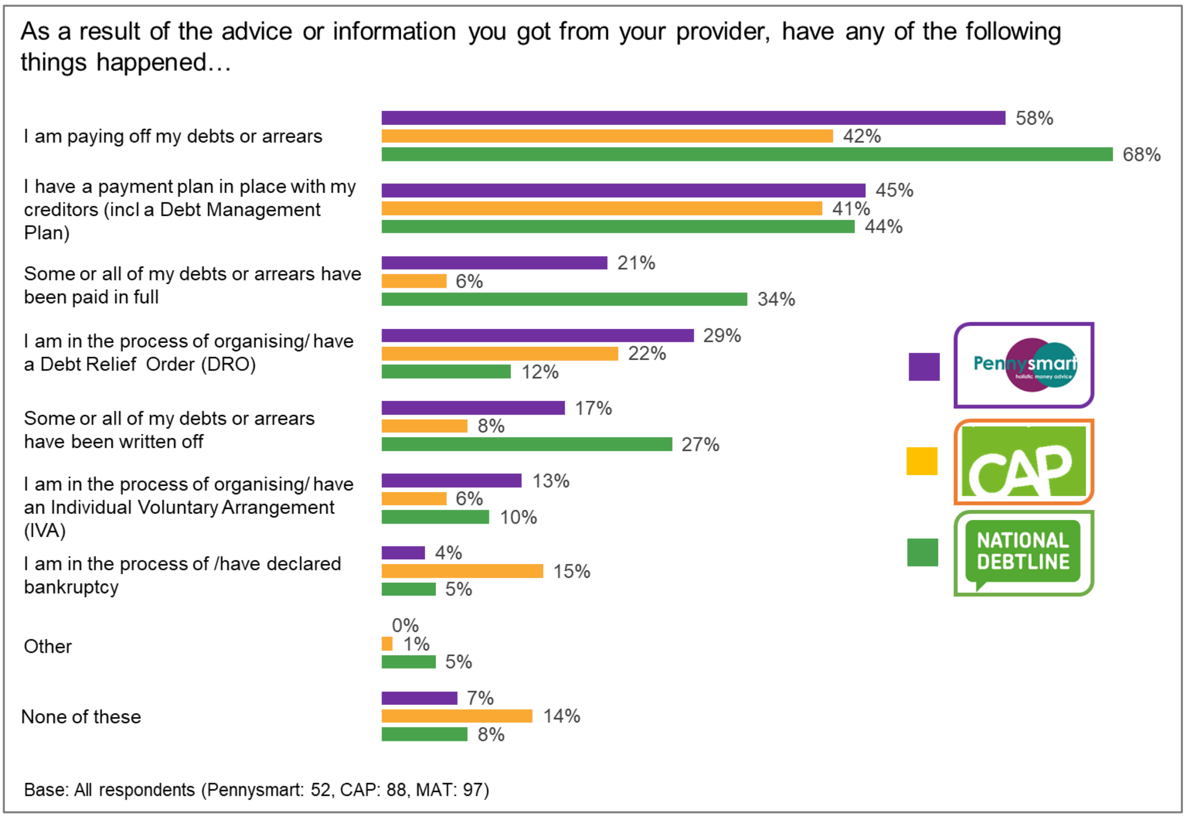
"One of [my creditors] had been texting me about missed payments. She said "if there is any way I can help just let me know" so I texted back. She set up a payment plan – a manageable amount per month. This morning when I got the text back accepting my minimum payments, I was happy that I did it. I am feeling more in control because I know the exact amount that has to come out every month."

CAP client

Debt solutions

As part of the follow-up survey, participants were asked what actions had been taken with regards to their debt as a result of the advice they had received. As is shown in Figure 8.5, a high proportion of clients from all three organisations had either paid off their debt or were in the process of doing so.

Figure 8.5 Debt solutions as a result of the advice or information from organisations

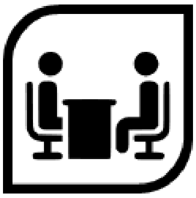


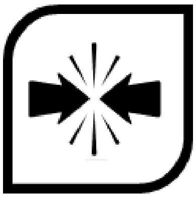
At an overall level, those in work and homeowners were more likely to say they were paying off their debt (64% of those in work vs 50% of those out of work, 77% of home owners vs 51% of those renting privately and 55% of social housing tenants). Those with experience of mental health problems were less likely to say they were paying off their debt (47% compared with 73% of those without experience of mental health problems). Those with experience of mental health issues were also less likely to say some or all of their debt had been paid in full (16% vs 31% of those without experience of mental health) but more likely to say they had a DRO in place or were in the process of getting one (29% vs 8%).

The qualitative follow-up interviews showed that while most clients had followed the organisation's advice with regards to resolving their debt, some had decided not to. In a few cases, the organisation had suggested a DRO, which the client did not feel was right for them, often due to fear of repercussions on their future credit rating. There were also instances where bankruptcy had been suggested but the client did not have the £90 needed to make a filing. In these cases, the clients were still positive about the support they had received and felt the organisation had still made them better equipped to deal with either debt of their finances more broadly.

> *"I've tried to take control, although I did not go down the route that was suggested, with the DRO, Pennysmart got me thinking right, how can I do this, what can I do – to be a bit more proactive."*
>
> Pennysmart client

Service Delivery





9 Service Delivery: Client engagement and key service elements

Summary: Client engagement and key service elements

Over half of Pennysmart clients and seven in ten CAP clients were still working with the organisations six months after seeking advice, as would be expected from their service models, and all three organisations showed low levels of clients dropping out.

Overall clients were very positive about the help they received. The adviser's approach was an important part of the clients' success, and they praised the way that advisers used straight forward language, went at a speed that was appropriate for them and were flexible in what financial capability advice they gave so that it was tailored to their individual situation.

Clients also praised the written resources organisations provided, particularly National Debtline's templates for writing to creditors, although some would have liked more of this. Clients' relationship with their adviser was particularly important for Pennysmart and CAP clients in building trust and keeping them engaged with the service and advisers were typically described as friendly, knowledgeable and non-judgemental.

The three organisations took different approaches to helping clients communicate with creditors and this was reflected in clients' confidence levels, while all three were more successful in reducing clients' outgoings rather than increasing income.

The report so far has focused on the impact that the three integrated advice services had on clients' outcomes. In this chapter we explore the process of delivering integrated advice in terms of clients' engagement with services, and the service elements that were most and least effective at delivering outcomes.

Routes into services and levels of engagement

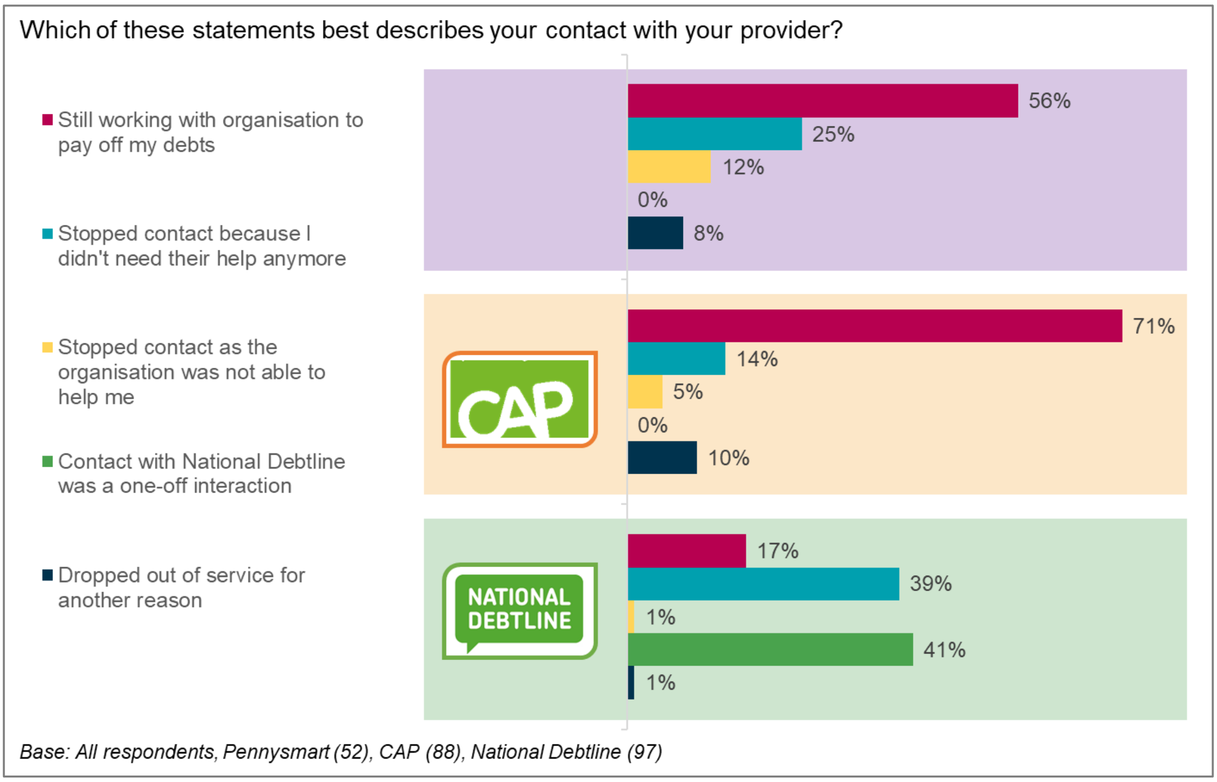
Participants in the qualitative research described different referral routes depending on which organisation they had dealt with. Pennysmart clients most commonly were referred by their landlord or housing association, although a few heard about the service in other ways, such as a social worker or Citizen Advice Bureau. One client had been referred as part of a court case.

CAP clients were largely referred through a mental health service, while others heard about the service through their social worker or through the church they attended. National Debtline clients were more likely to have been proactively looking for advice or guidance online and finding the telephone number in this way. A few had been referred by their energy provider, and two individuals had first approached Citizens Advice Bureau who referred them to National Debtline because they had a specific query relating to outstanding debts.

At the time of the follow-up survey, nearly all clients recalled the advice they received (98% of Pennysmart clients, 97% of CAP clients and 96% of National Debtline clients), and the status of their contact with the organisation providing advice at this point is shown in figure 9.1 below. CAP clients were most likely to still be working with their provider to pay off their debts (71%), while over half of Pennysmart clients were also (56%). National Debtline clients were most likely to say that their contact was a one-off interaction (41%) or that they no longer needed their help (39%). This is in line with what might be expected as National Debtline is a self-help service designed to support clients to deal with their debts themselves whereas both CAP and Pennysmart provide ongoing casework by phone or in person to clients who take up support after their initial contact. Qualitative interviews showed that clients often engaged with National Debtline through their online tools in addition to a using their phoneline, while a few clients had ongoing communication with National Debtline over the course of a few months during the process of resolving their debt problem which was greatly appreciated by those who received it.

Drop out figures for clients were relatively low, with just eight per cent of Pennysmart clients and ten per cent of CAP clients saying they left for another reason (other than because they no longer needed help, or the organisation could not help them).

Figure 9.1 Clients' contact with advice organisation at 6 month follow-up



Service experience and key service elements

Findings from the qualitative interviews and surveys showed that overall, clients were very positive about their experience with the three organisations and overall, 95 per cent would recommend the service to a friend or family member.

Those who took part in a qualitative interview described the advice and guidance as very helpful and the majority felt it had positively impacted their financial situation.

In addition to the advice and guidance, clients were positive about the resources provided by the organisation, such as packs of money savings tips, templates for documents such as letters to creditors and budgeting tools. Even clients who either contacted the organisation with a specific query and did not feel they needed additional financial capability support or who decided not to follow the advice given were positive about the resources provided to them.

The relationship between the adviser and the client was an important element of both Pennysmart and CAP's service models and this relationship appeared to better facilitate the delivery of integrated support. aving enough time to build trust and properly get to know the client and their circumstances meant the adviser was able to deliver financial capability advice that was relevant in a way that felt tailored and supportive to the client.

> *"Part of what we do, and I think part of our success, is that we've always offered continued support, and I know we need lots of different organisations with different methods, but we don't just give advice and say, 'Well, this is what you need to do, this is how you need to pay back your debts, or you need to go through insolvency,' or whatever it is."*
>
> CAP site visit

From the organisations' perspectives, the fact that the adviser was consistent and could have contact on an ongoing basis was important in helping the client to engage with the advice given, and for CAP this was expected to give clients confidence that they could also build positive relationships with others more widely (as detailed in the Theory of Change section in Chapter 3).

Many Pennysmart and CAP clients were very positive about having multiple appointments with an adviser and felt this gave them time to work through their situation properly. Interviews with National Debtline however showed that many clients reported significant improvements to their behaviour and their overall financial situation after only one call. This appears to be mostly driven by the complexity of the client's situation. While many National Debtline clients described calling with a specific query or already feeling fairly confident managing their money, Pennysmart and CAP clients were more likely to describe an initial situation that felt chaotic and overwhelming. More complex situations, either due to the complexity of their financial situation or due to wider issues such as housing or relationships, typically demanded repeat contact with the organisation in order to create an overview of the situation and subsequently devise a plan going forward, including financial capability elements for how to manage their finances.

Flexible approach to delivering financial capability support

Pennysmart and CAP clients were also grateful for what was seen as a flexible approach which catered to their individual circumstances and needs. There were examples of vulnerable clients who suffered with issues such as anxiety, PTSD and trouble concentrating who appreciated that the adviser took the time to break down the information into manageable chunks and offer support and reassurance along the way.

> *"She just let me talk - I can go on a bit sometimes about my whole situation and she let me talk, but she also really paid attention and gave me advice specific to my situation, it wasn't generic advice, it's all tailored to you."*

Pennysmart client

Staff interviews with Pennysmart also cited their flexible approach as particularly effective. The discretion that advisers are given to deliver information to clients at a speed and in a way that they can digest was seen as key to getting them to understand key elements such as a budget.

> *"So, at that point, you might go, 'Okay, this isn't going to work for this client, so I just need to use more of our simple budgeting tools that we've got available to us,' but again, it's discretionary, you know, at different times, different clients."*
>
> Pennysmart site visit

CAP's model was perhaps particularly effective in this way as home visits and face to face discussions made it easier for the debt coach to have these discussions with more vulnerable clients.

> *"Home visits made it easier. [My debt is] not something I want to discuss in the open. I've gone through a crown court case now and my dignity has gone."*
>
> CAP client

While all CAP clients were positive about the home visits, only a few felt they would have been unable to engage with the support had it been offered in another way (e.g. over the phone).

Some clients also recognised the integrated nature of the advice as an advantage, in contrast to only receiving help to resolve their debt situation. The fact that the clients had learnt new money management skills gave them confidence that they could avoid getting into debt again in the future.

> *"What I like about CAP is that it's not just about paying your debts off it's about putting money aside so that you have a rainy-day fund that you can call on. That is what I really think is good about it – it's not about getting yourself out of debt and getting yourself back into the same situation. They are coaching you. I feel that after this I will be in a very, very strong situation not to get myself into the same place again."*
>
> CAP client

One Pennysmart client for example said the advice had changed her way of thinking, so that when she feels she does not have enough income to cover costs she looks at how she can reduce her outgoings.

> *"Before the finances were a very overwhelming issue. Sometimes I'd be like there isn't any more spare income coming, how can I manoeuvre? and it was just like saying ok fine what can you do without? Things like ok you don't need some of the subscriptions so let go of them."*
>
> Pennysmart client

Relationship with adviser

Participants in the qualitative interviews were asked about their satisfaction with the adviser they interacted with. The relationship with the adviser was particularly important for Pennysmart and CAP's service models, which include repeat interactions with each client.

Overall, clients were highly positive about the advisers they had spoken to. Advisers were usually described as friendly, knowledgeable and understanding. Clients particularly appreciated that the advisers were non-judgemental; for many debt was a sensitive or even shameful topic and this approach was therefore valued. Clients also liked that advisers to an extent normalised their situation and reassured them there were many others in similar situations.

> *"It makes you feel like you're not alone anymore. You feel like, you know what okay, I can keep going. Yes, I am struggling, but there is always somebody I can go and talk to or go and see."*
>
> CAP client

Clients of all three organisations appreciated that their adviser was able to speak in simple, easy to understand language. This made detailed conversations about their finances easily digestible and made clients feel more in control of their own situation.

> *"With them, you never feel stupid or like you don't understand something, they tell you everything in normal language."*
>
> Pennysmart client

Pennysmart and CAP clients were also particularly positive about their adviser taking a holistic approach and offering support beyond dealing with their debt. This included support with mental health problems, relationships or even transport.

> *"The adviser always asked how I was…To have someone ask, "are you okay?" "is everything alright?" Is really nice."*
>
> Pennysmart client

Communication with creditors

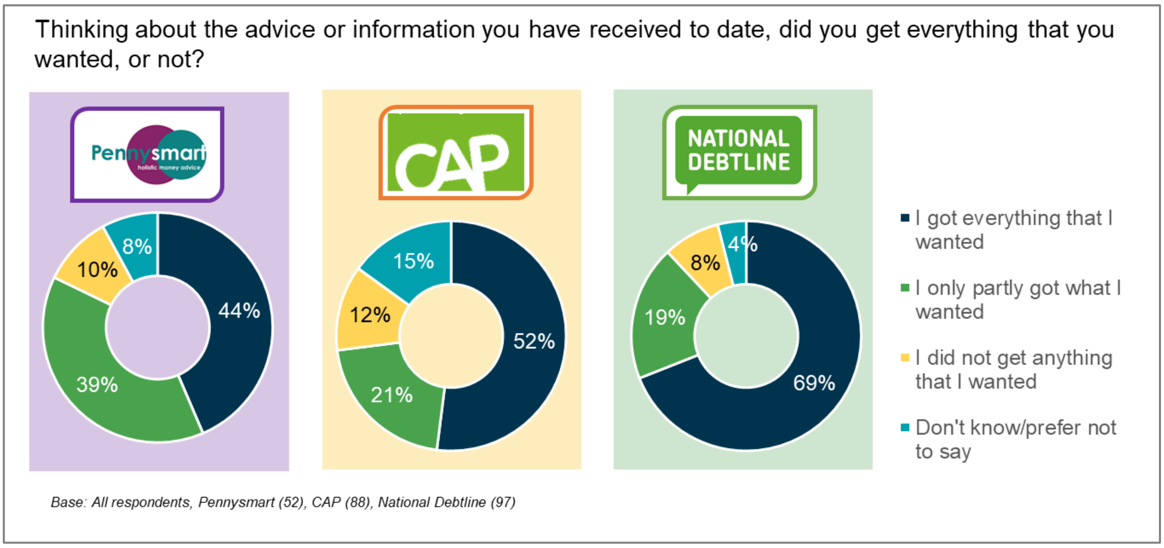
Pennysmart and CAP clients often described their adviser taking a balanced approach of encouraging them to engage with creditors, while also reassuring them that they were 'on their side' and ready to support if needed. Among Pennysmart clients, the emphasis was often on immediately providing clients with the knowledge and confidence so they could advocate for themselves. Clients largely appreciated this and were surprised to learn that negotiating with creditors was even an option and encouraged by the flexibility provided in order to agree a payment plan, which increased their financial confidence.

An assumption of CAP's service model was that by advisers taking on the communication with creditors initially, clients would feel less worried about their finances as the administrative burden of dealing with their debts had been lifted. Qualitative findings suggested that the process for CAP clients was often longer than for Pennysmart clients, with debt coaches initially taking on the client's communication with debtors and slowly building the confidence for them to take ownership of the situation back. Survey responses showed CAP clients were just slightly less likely to feel their confidence communicating with creditors had improved than Pennysmart or National Debtline clients (61% said their confidence had increased compared to 75% of Pennysmart and 76% of National Debtline clients – see chapter 8). Further research could be undertaken to look into the outcomes for CAP clients beyond the six-month follow up period when they had taken back responsibility for communicating with creditors, and the impact of their longer-term approach.

Areas of improvement

As shown in Figure 9.2, the majority of clients were positive about the service they experienced.

Figure 9.2 Clients views about whether organisation provided what they wanted



The 10 per cent of Pennysmart clients who said they did not get anything they wanted represented five respondents. These individuals were asked what other advice they would have liked to receive, and responses included getting a Debt Relief Order and help with buying bits and pieces for their home.

Over half of CAP clients received everything that they wanted from the service, and those who did not have children were slightly more likely than those who did to answer positively (63% said they got everything they wanted compared to 37%). Of the ten respondents who represented the group who did not get anything they wanted, most did not give an answer to the follow up question but one said that they would have liked help with getting their debts or arrears written off or suspended.

Among National Debtline clients, all of those who said they did not get anything were out of work (eight respondents in total), and when asked what help they would have liked to receive answers included help or advice on avoiding scams, and someone to act as a mediator between them and their bank.

While most National Debtline clients who took part in a qualitative interview were satisfied by the one-off interaction with an adviser, a few said follow-up conversations and a consistent point of contact would have been helpful. While most Pennysmart clients had a dedicated adviser a few mentioned speaking to different people and while they were all described positively these clients would have found it easier to have one contact.

CAP and Pennysmart's service model involves ongoing casework and for clients who request it they take on the administration of managing communication with creditors. This led to some clients expecting ongoing communication from them and a few CAP and Pennysmart clients requested more frequent updates on their situation and were unclear on how their case was progressing.

> *"[It would be better] to keep a bit more regular update with people…maybe a phone call once a week to see how things are going. Because if people start to go a bit wrong, it could be caught quicker than leaving it a month or two down the line …".*
>
> Pennysmart client

National Debtline's service model by contrast is predominately based on clients contacting their advice line or self-serving by accessing its online tools and this generally satisfied their clients' expectations, however their clients were likely to have fewer complex needs.

A few clients from all three organisations also said they would have liked more digital resources. Some CAP and Pennysmart clients said scanning and sending paperwork was time consuming and would have preferred to be able to take photos of their documents. Another client from National Debtline had been sent a paper template of a letter and suggested having digital versions of templates and tools to download from the organisation's website, although other National Debtline clients had access templates and budgeting tools online. A few Pennysmart clients also suggested speaking to Pennysmart via video call rather than a phone call as this would both help them feel more engaged with the staff member by putting a 'face to the name' and would also mean that they could show them paperwork more easily.

As demonstrated in chapter 6 above, evidence suggests that organisations were more successful in helping clients to reduce their outgoings than increase their income, with relatively small proportions of each client group reporting any change in their income as a result of the advice received. In the qualitative interviews a few clients reported getting help with this from other organisations and those that had increased their income either through wages or benefits said this had considerably improved their financial situations. While some advisers had spoken to clients about checking their benefit entitlement or increasing employment income, a more consistent approach could lead to greater impacts in this area.

Qualitative findings also suggested that while most clients had followed the organisation's advice with regards to resolving their debt, there were a few cases where clients experienced barriers to proceeding with their debt solution which prevented them engaging with the advice received. In some cases, a debt solution could not be recommended without further information or until other issues were resolved (such as a pending court case or separation from a partner) or prevented them from taking up the recommended debt solution. In other cases, the organisation had suggested debt solutions such as a Debt Relief Order (DRO), which the client did not feel was right for them, or where they could not afford the fee to file for example to file for bankruptcy. In one example, the client did not feel she could contact the organisation again until she had the money to pay for the fee which had led her to disengage from the service without a clear way forward to manage her current situation.

10 Service delivery: Challenges and recall of financial capability support

Summary: Challenges and recall of financial capability support

All three organisations experienced challenges in resourcing integrated advice, both in terms of delivering the additional training to staff and the extra time that advisers require to deliver the advice to clients, which represented higher costs in the short term but delivered longer term benefits for clients.

The method and timing of delivering financial capability support was important in keeping clients engaged in this element of the advice. The budget often offered a convenient point to give tips that were relevant to the individual about saving and reducing outgoings, however for others, particularly clients with more complex situations, multiple points of contact were needed to allow several opportunities for the client to take on money management help.

A minority of clients did not recall receiving any financial capability support from their organisation. It's likely some did not receive it due to inconsistency in delivery by advisers. Others may have received it but not remembered the support, while there is also evidence that in a few cases clients refused financial capability support because they did not feel they needed it. Clients that could recall the financial capability elements of the advice they received consistently reported better outcomes.

The 2018 call for evidence around integrated advice[22] commissioned by MaPS found that a key challenge to delivering integrated advice related to resources and funding. This was also identified as a significant challenge among the three organisations participating in this evaluation and related to the additional time and cost involved with training debt advisers on financial capability matters, delivering additional advice to each client and capturing the additional data required. .

For National Debtline, this was particularly difficult because staff needed to include debt advice and financial capability support in a single call. Since the time of the research they have implemented a new process of asking clients to complete an online budget first, as a way to reduce the amount of information that needed to be discussed by phone.

Pennysmart also recognised the cost implication of their model in which integrated advice was delivered over several contact points and covered more than a traditional debt advice service.

> *"Per client, per adviser, it's costlier. That's at every level, from the time it takes to deliver the service, the resources you need but also the training of the advisers. So, that's different. I*

[22] Money Advice Service (2018), *Financial capability and debt advice, https://masassets.blob.core.windows.net/cms/files/000/001/145/original/Financial_capability_and_debt_advice_report.pdf*

> *think the whole data capture is much broader. When we do the Money Health Check, we're capturing a lot more fields than you would normally capture in a debt advice session, you're basically doing a full audit on their whole financial world, rather than just dealing with problem debt."*
>
> Pennysmart site visit

Staff emphasised the importance of empowering clients to make their own decisions about their finances was important in controlling the amount of time and cost required to deliver the service and preventing clients from becoming dependent on their help.

> "*You have to empower clients, otherwise we would have them all with us for five years, and we can't. We're not funded, we're not big enough, and it's not healthy. So, if you can empower them, and give them the tools, if you like, to make those decisions and understand again why they need to be made, then you've given them the skills."*
>
> Pennysmart site visit

Funding requirements were a factor here. Pennysmart staff described having to convince funders to support advice that was intended to achieve results for the long-term and invest in their intensive casework model so that they could deliver a big impact for the most vulnerable customers. In addition, they are trying to make the most of limited budgets by developing digital tools to supplement their casework. The 2018 call for evidence found that several organisations received funding that was dependent on hitting targets related to the numbers of clients seen and amount of debt written off, meaning that the time required to offer financial capability support to each client in addition to their core debt advice service would jeopardise that funding.

A second challenge identified in the call for evidence was the difficulty of keeping customers engaged in the service so that both elements of advice could be delivered. This was especially relevant where the debt advice and financial capability support was being delivered by two different organisations who worked together to engage customers in both, in which case providers saw high drop-out rates when customers were moved from one organisation to the next. As the three organisations who took part in this evaluation each delivered integrated advice independently this was not a problem and, as results described at the beginning of the chapter showed, drop-out rates were relatively low (10% or below).

However, the challenge of keeping customers engaged in the call for evidence was also described in the context of keeping clients interested in learning about more general financial matters once their debt was under control. In this evaluation, the three organisations had engaged clients with financial capability in a variety of ways and each were flexible about the timing and amount of support they delivered. National Debtline used targeted financial capability advice relevant to the individual's circumstances and were flexible about the timing of delivery, noting that the budget was an opportune moment to talk to many clients about how they could manage their money differently, although for others who were especially concerned about resolving their debt problem, they would need to discuss a debt solution first and then come to financial capability afterwards. CAP and Pennysmart both offered multiple points of contact with clients allowing several opportunities to deliver financial capability support alongside following up on debt solution matters. Both offered ongoing support by phone while Pennysmart also sent out a pack of information by post including money saving tips, and CAP offered three initial home visits through which they built a relationship with the client and spent time discussing their financial situation in a holistic way.

Recall of financial capability advice

While interviews with clients and staff at the site visits both suggested that repeat interactions and flexibility made delivering integrated debt advice and financial capability support easier, findings did suggest that organisations may have had difficulty delivering financial capability support effectively to all clients. In the follow up survey, clients were asked[23] if they recalled receiving any of the following financial capability advice elements:

- Practical tips to help plan spending better
- How to access and manage bank accounts
- How to reduce outgoings
- How to increase income
- How to build up savings

Responses showed that 83 per cent of Pennysmart clients and 80 per cent of National Debtline clients recalled receiving financial capability support, with no significant differences between different demographic groups.

CAP's clients were less likely to recall receiving financial capability (64 per cent), however they were also more likely to say 'don't know' to receiving either financial capability or debt advice elements so they may have found it harder to recall the advice received compared to the other client groups (14 per cent of CAP clients said 'don't know' compared to 4 per cent of Pennysmart clients and 1 per cent of National Debtline clients).

Positively, findings showed that at an overall level across all three organisations, those who did recall receiving financial capability advice had better outcomes around both money management and managing debt compared to those who did not. Outcomes between the two groups include the following:

- 59 per cent of those who recalled receiving financial capability were **satisfied with their overall financial situation** compared to 31 per cent of those who did not.
- 75 per cent of those who recalled receiving financial capability support **felt in control of their finances** compared to 59 per cent of those who did not.
- 54 per cent of those who recalled receiving financial capability support reported **feeling less anxious** about their finances after six months compared to 33 per cent who did not.
- 56 per cent of those who recalled receiving financial capability support reported **feeling more confident speaking to creditors** at the six-month follow-up stage compared to 27 per cent who did not.

[23] This question was added to the survey during the follow-up fieldwork period as qualitative findings suggested that a minority of clients could not remember receiving any elements of this type of advice, therefore results quoted here are based on those who completed the survey after this point: Pennysmart (44), CAP (44), National Debtline (97).

- 58 per cent of those who recalled receiving financial capability support had **changed bill payments** to a date that suited them compared to 40 per cent who did not, and 42 per cent had changed a payment method compared to 15 per cent.

- 98 per cent of those who remembered receiving financial capability support **would recommend the service to a friend or family member** compared to 87 per cent who did not.

This strongly suggests that clients who remember the financial capability elements of the advice they receive benefit from improved outcomes. However, it is difficult to say whether those who could not recall receiving the advice would not have been given any, or whether they simply did not recall it which may suggest that these clients were less engaged with that element of support. To an extent, the inability of some clients to recall receiving financial capability advice across all three organisations is likely to be caused by clients' ability to recall what support was offered to them during their interactions with the organisations, especially when interviewed six months after their initial contact. Furthermore, many customers sought advice at a point when they were experiencing a high amount of stress when their focus was on resolving their debt problem which may have affected their ability to recall or fully engage with wider money management advice.

In the case of CAP, the service model is designed to deliver a flexible approach over a longer period (three initial home visits over a few months and then continued support until clients are debt-free) and they also have a high number of vulnerable clients. Staff interviewed explained that they tailored the amount of money management advice they delivered to clients in their initial three home visits depending on what the client was able to take on. As CAP also offer holistic support to improve clients' wellbeing it may be that debt advice and more holistic support took priority for clients with the high levels of need.

The delivery of integrated financial capability support sometimes also depended on the individual client's situation and their reason for contacting the organisation. While some described needing help not just with their debt but with their overall financial situation, which to them felt chaotic and highly challenging, others described feeling fairly confident with regards to their ability to manage money and contacted the organisation with a specific query. Some of these clients remembered their adviser offering more financial capability support and said they declined this as it did not feel relevant to them. This is likely to impact not only the ability of the adviser to deliver integrated financial capability (particularly during a one-off interaction) but also the impact of the financial capability support that is delivered.

> *"The most useful element to me was just them acknowledging what I already knew - with my income and expenditure it would be best to go for a debt management plan or bankruptcy … I had a plan in my head but wanted clarification on what I was thinking was the right thing to do … so they clarified what I already knew"*

National Debtline client

11 Conclusions

Overall, clients across all three organisations showed improvements in a range of metrics showing that integrated advice positively impacted both their ability to resolve their debt situation, and their financial confidence and skills to manage their finances going forward.

We have created a post-evaluation Theory of Change shown in Figure 11.1, illustrating what the evaluation findings have demonstrated around the delivery and outcomes for clients of integrated advice. The most notable changes from the initial overarching Theory of Change designed at the start of the evaluation (shown at the beginning of this report in Figure 3.1), and the post-evaluation Theory of Change are:

- the way organisations deliver advice (their 'client facing activities') is appropriately tailored to the needs of the client group,
- the mechanisms by which clients' outcomes improve is sequential, starting with a combined understanding of their debt and budget, and leading to increased financial confidence,
- longer term money management outcomes vary depending on the clients' situation, and interventions were more effective at minimizing outgoings than maximizing income.

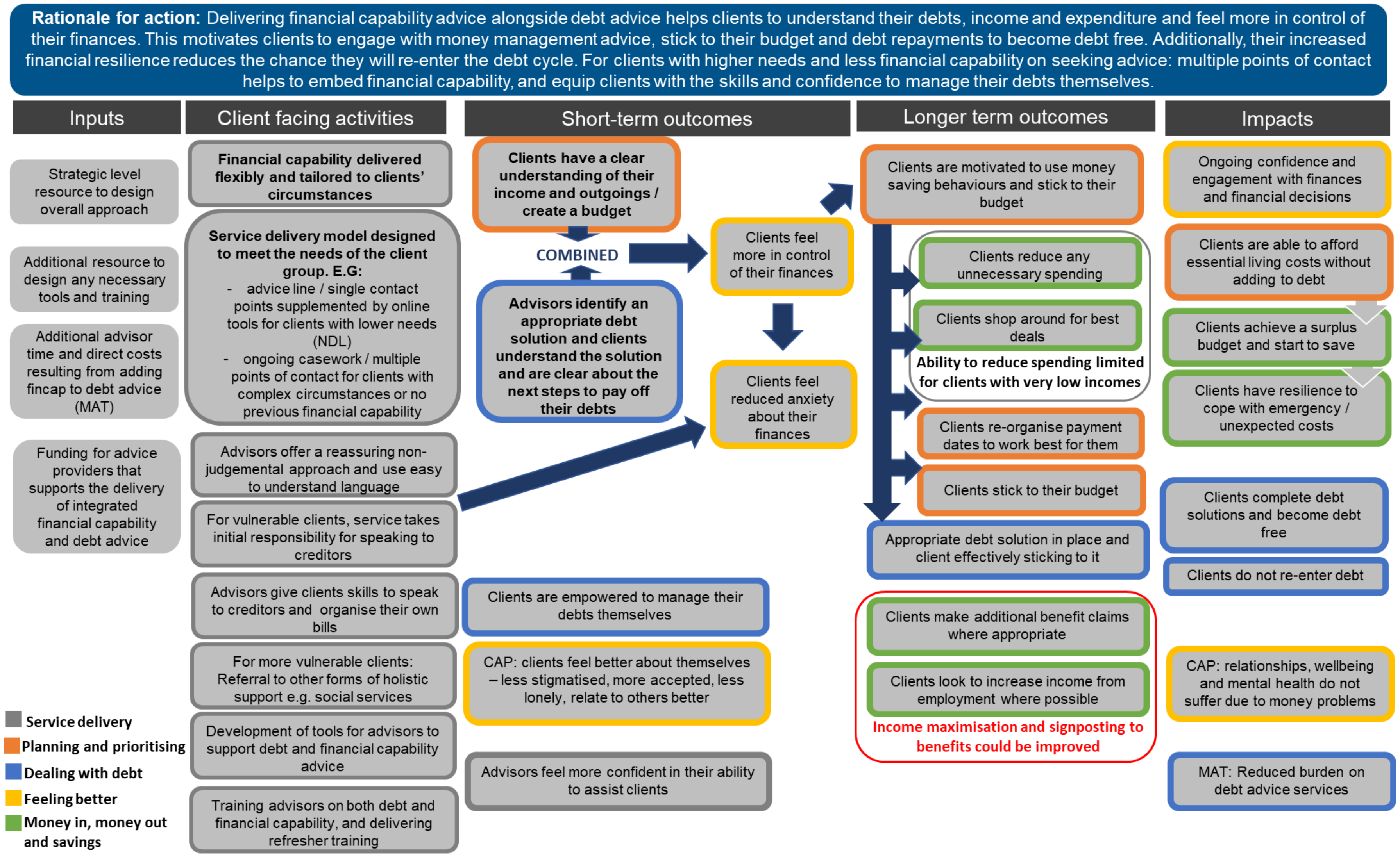
Primarily, combining financial capability support and debt advice in a single service helped clients to understand their debts, income and expenditure, which together led to clients feeling much more in control and financially confident. This increased sense of control reduced anxiety levels and motivated clients to engage with the financial capability aspects of the advice they received, stick to their budget, use various money saving behaviours and generally feel more confident about managing their money. In this way, the interventions helped clients to keep up with their payments and manage their budget, suggesting that they were more likely to successfully complete their debt solution than if they had not received this advice. At least seven in ten clients from each organisation were able to keep up with their bills and credit commitments at the follow-up stage.

Empowering clients to take control of debts and speak to creditors was important in increasing confidence as well as ensuring clients did not become reliant on the service, therefore enabling services to run more efficiently. Pennysmart and National Debtline clients both saw significant improvements in clients' confidence speaking to creditors about their debt. CAP's clients had lower confidence levels however this is perhaps not surprising given that a core part of CAP's offer is to take on communication with lenders from their clients, who are often highly vulnerable.

The impact of interventions on clients' use of specific money saving behaviours varied, often depending on their financial 'starting points'. Some clients, particularly those on low incomes and especially Pennysmart clients, did things like shopping at cheaper supermarkets and only buying essential items before they sought advice, and the interventions did not change these habits. CAP clients who were typically on low incomes and often had fewer money management skills to begin with, saw improvements in several behaviours. For a few clients however, the ability to reduce their spending using money saving techniques was limited due to their very low incomes.

Advice on maximising income appeared fairly limited throughout the interventions and clearer signposting to employment opportunities or more consistent advice about checking benefit entitlements may help to improve this.

Figure 11.1 Post-evaluation Theory of Change of integrated advice



Importantly, the evaluation found that a minority of clients did not recall receiving any financial capability support, but those who did showed significantly better outcomes in terms of feeling in control, reduced anxiety, confidence speaking to creditors and overall satisfaction with their finances. It is difficult to say if those who did not recall receiving financial capability advice were not given any or simply did not remember receiving it. Evidence suggests that services could do further work to ensure that advisers deliver this advice consistently and memorably for every client, but also that some clients may be particularly difficult to engage in financial capability advice, possibly because they are focused on getting their debts resolved under challenging circumstances, or because they feel financially confident already and therefore refuse the advice when its offered.

Fewer differences between how different types of people felt about their finances were observed at the follow up stage, suggesting interventions were also good at equalizing the experience of debt and financial worry. However, feelings of control and reduced anxiety were still lower for those who had experienced mental health problems, and inequalities remained between those who were employed and unemployed, and between homeowners and tenants, with the employed and homeowners seeing greater improvements in their outcomes.

While all three organisations acknowledged that resourcing the delivery of integrated advice was a significant challenge, a key strength of all three organisations was how well-suited their distinct service models were at meeting the needs of their individual client groups. National Debtline delivered advice over a shorter amount of time and fewer contact points which suited most of their clients who were often calling for more specific information or tended to have less complex issues. CAP and Pennysmart's clients often presented with more complex situations and their casework approach included multiple points of contact which allowed advisers to deliver advice at a pace that suited the client, and meant the client was able to engage with the volume of information received.

Having a flexible approach around when and how to deliver financial capability advice was key in helping clients to engage with the process. It was important for the adviser to have options so they could tailor the advice to the individual, such as having a simpler way to talk through a budget if needed.

“IFF Research illuminates the world for organisations businesses and individuals helping them to make better-informed decisions.”

Our Values:

1. Being human first:

Whether employer or employee, client or collaborator, we are all humans first and foremost. Recognising this essential humanity is central to how we conduct our business, and how we lead our lives. We respect and accommodate each individual’s way of thinking, working and communicating, mindful of the fact that each has their own story and means of telling it.

2. Impartiality and independence:

IFF is a research-led organisation which believes in letting the evidence do the talking. We don’t undertake projects with a preconception of what “the answer” is, and we don’t hide from the truths that research reveals. We are independent, in the research we conduct, of political flavour or dogma. We are open-minded, imaginative and intellectually rigorous.

3. Making a difference:

At IFF, we want to make a difference to the clients we work with, and we work with clients who share our ambition for positive change. We expect all IFF staff to take personal responsibility for everything they do at work, which should always be the best they can deliver.

IFF Research

5th Floor
St. Magnus House
3 Lower Thames Street
London
EC3R 6HD
Tel: +44(0)20 7250 3035
Website: iffresearch.com

Contact details: