



- The Credit Crunch
- Recent research on Debt

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## Debt in Northern Ireland

- **2006 -08 DETI contract for face to face money advice in Northern Ireland.**
- **This funded 12 (FTE) money advisers in locations across Northern Ireland.**
- **With the contract we have also supported posts in Housing Rights Service and Omagh Independent Advice Service – outside the CAB network**



## Statistics

For the period April 2006 to March 2008 :

- Close to 4,000 new clients were helped with their debt situation
- Over £28 million of new debt was dealt with
- Of the £28m dealt with between 2006 - 2008 70% was for Credit Cards, Bank Loans and Personal Loans





## Training

- **Enforcement of Judgements Office**
- **Business Debts**
- **Limitation of Actions**
- **Unfair Contract Terms**
- **Unfair Commercial Practices Directive**
- **Distance Selling Regulations**
- **Mental Health Awareness**
- **Insolvency (Bankruptcy & IVAs)**
- **Advanced Insolvency**
- **Lay Advocacy Skills**
- **Extortionate Credit**
- **Unfair Relationships**
- **Consumer Credit Act**
- **PG Debt**
- **Negotiation Skills**
- **Court System in Northern Ireland**



## **Evidence Based policy**

- **Collective complaints submitted to Office of Fair Trading and Financial Service Authority against irresponsible companies**
- **Collaborative complaint with Trading Standards against large local finance company**
- **Individual successful complaints with Financial Ombudsman Service**
- **Improved collection practices from local creditors**



## **Evidenced Based Policy**

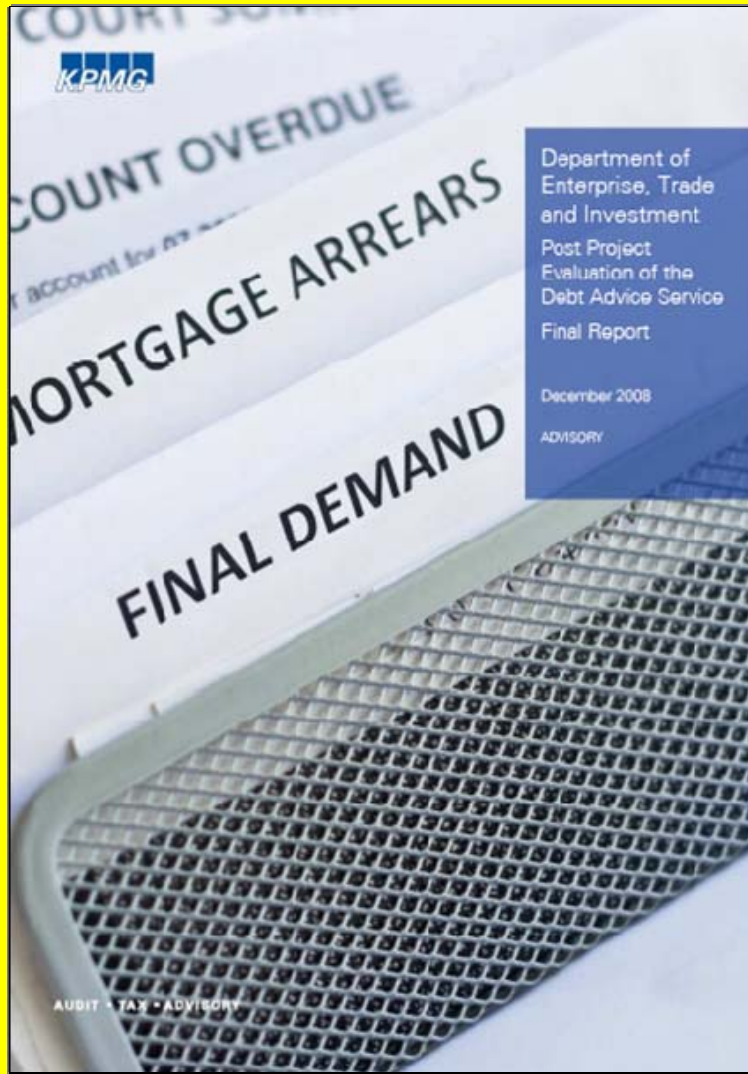
- **Evidence given to Northern Ireland Assembly on water charges in relation to utility debt**
- **Evidence to Competition Commission on conduct of banks in Northern Ireland**
- **Extensive media comment on debt in Northern Ireland with UTV and BBC**

dealing with | debt

in Northern Ireland



# PSC Research Report





## Hitting the Mark

- **‘We have analysed the CAB dataset and it is our conclusion that the Money Advice service is indeed helping very vulnerable people.’**
- **‘The service is clearly accessible to those who most require it and is an example of Government money being targeted for the benefit of a specific group most in need.’**



## Hitting the Mark – Vulnerable Clients

- **Those on the margins of the labour market (unemployed, sick and retired) constituted more than half of the CAB sample.**
- **Those on means-tested benefits made up more than half of respondents.**
- **Almost half of all clients came from within the three most deprived deciles in Northern Ireland.**
- **The number of clients seen for the age grouping 60-74 (11.7%) and for the age grouping 75+ (6%) is commensurate with the figures from the 2001 Census.**



## Accessible Service

- **Men & Women access the service in relatively equal numbers (55% female 45% male)**
- **The number of clients aged 60 or over was commensurate with the population (2001 census)**
- **Over half of the clients assessed were unemployed, sick or retired**



## Trends

- **By far the largest number of responses in terms of categories of debt is credit card debts**
- **Over two thirds of clients reported having multiple debts. Over 500 were experiencing seven or more and just over 200 experienced ten or more. Two clients reported 27 debts each.**
- **The debt-advice role of CAB already usefully contributes to the anti poverty strategy, not merely by offering support to the vulnerable, but also by generating information about the problem of debt.**



## Trends

- **Total debt handled for the period April to September 2008 when compared with April - September 2007 has increased by 120%**
- **The number of clients assisted by the service during the same period has increased by 34.55% .**



## Trends

- For the period April – September 2008 when compared with the same period in 2007
- The amount of Business Debt is up by 574% (increase of £641K)
- The amount of Tax Debt is up by 72% (increase of £47K)



## Trends

- **The amount of Credit Union Debt is up by 172% (increase of £287K)**
- **The amount of Secured Loan Debt is up by 382% (increase of £257K)**
- **The amount of Mortgage Debt is up by 2883% (increase of almost £600K)**



- **IMPACT OF THE CREDIT CRUNCH**
- **More funding - short term**
- **Higher profile for advice work**
- **Opportunity to contribute to evidence based policy**



- **IMPACT OF THE CREDIT CRUNCH**
- **Less funding - long term**
- **More clients and pressures**
- **Different clients – more affluent**