

Debt Action NI Impact Report

free debt help you can trust

DEBT

debt actionⁿⁱ
FREE debt help
you can TRUST

Are you struggling
with debt?

Get in touch

- ☎ Freephone 0800 917 4607*
- 📱 Text 'ACTION' to 81025*
- 🌐 www.debtaction-ni.net

*Local network charges may apply

adviceⁿⁱ
the independent
advice network
An Advice NI Project

Supported by:

payplan  Department of
Enterprise, Trade
and Investment
www.wildt.gov.uk

Introduction



I am proud to launch Advice NI's first impact report on our money and debt advice service, Debt Action NI, funded by DETI. We have been running a debt service for

a number of years but this is our first year delivering an integrated service of face to face, telephone and web based debt advice. Recognising the diverse needs of people in financial difficulties and the particular vulnerabilities of those in need of debt advice as well as the sensitivities around the issue of money and debt we have made the service more accessible than ever. Access points include:

- An interactive website - with a virtual adviser facility, online budgeting tool, downloadable self help guides, an appointment request, details of where to find your nearest debt adviser and an email function
- a text service
- a Freephone helpline – open Monday to Friday 8am to 9pm and Saturday 9am to 3pm and
- face to face advice – offering outreaches, drop in and home visits.

At each point of contact we are able to offer a triage service to clients which helps identify their specific needs and whether immediate intervention is required. This allows us to tailor the service to each client and to support them to engage with the most suitable intervention at every stage in the advice process.

Working with our members and Payplan, the UK's largest free debt solution provider, we are able for the first time to give more time to clients with very little or no disposable income and to more complex cases as Payplan provide an immediate access Debt Management Plan (DMP) or Individual Voluntary Arrangements (IVA) service.

Whilst there are signs of economic recovery within NI, albeit slow, it is unlikely the individual or household will experience the effect of this for some time. Rather, debt levels are likely to be compounded by the increased cost of living - of groceries, utilities and fuel, the imminent introduction of welfare reform and any increase in interest rates leading to ever more demand for independent debt advice services.

The content of the report has been informed by data recorded within Advice Pro, our case recording system and the customer satisfaction exercise we conduct with clients before and after using the service.

The statistics, stories and feedback from clients contained within the report reflect the reality of the situation people from all walks of life in NI find themselves in. It is the positive impact on the health, well-being and lives of people and their behaviour that we are most proud of. I hope they convey the difference this much needed service makes!

Bob Stronge
Chief Executive

IMPACT - 1 August 2012 to 31 July 2013

During our first year of operation we have:

Advised and supported nearly
6,300
clients

Dealt with nearly
6,500
enquiries (cases)

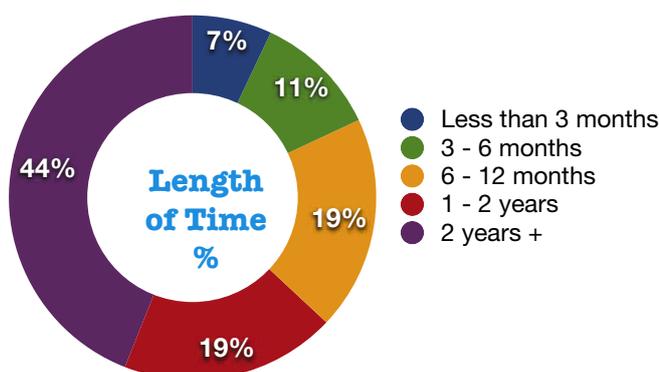
Dealt with nearly
£103.5million
in debt

Covering nearly
13,400
debts

Top 10 debts Debt Action NI dealt with during 1 August 2012 to 31 July 2013. This table also highlights the number of agreements and average debt per agreement.

	DEBT TYPE	August - March	Number of Agreement	Average Debt
1	Mortgage	26,094,107	724	36,042
2	Mortgage Shortfall	17,154,963	205	83,683
3	Credit Card	16,805,096	5,801	2,897
4	Bank Loan	9,715,466	703	13,820
5	Personal Loan	8,931,883	1,660	5,381
6	Business	5,666,617	239	23,710
7	Secured Loan	4,598,978	214	21,491
8	Overdraft	1,878,319	1,353	1,388
9	Credit Union	1,752,667	424	4,134
10	Benefit Overpayment	1,521,445	271	5,614

How long Debt Action NI clients were experiencing financial difficulty before they accessed the service.



Nearly two thirds of clients were experiencing long term financial difficulty (i.e. over one year).

Access Points

60%
Telephone



34%
Face to Face
(inc drop in and outreach)



4%
Internet
(inc website, email and virtual chat)



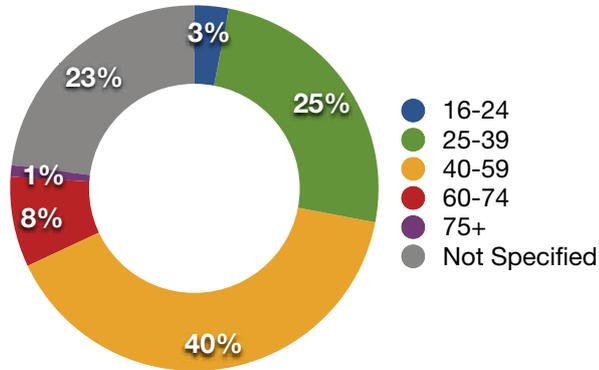
3%
Other
(inc post and text)



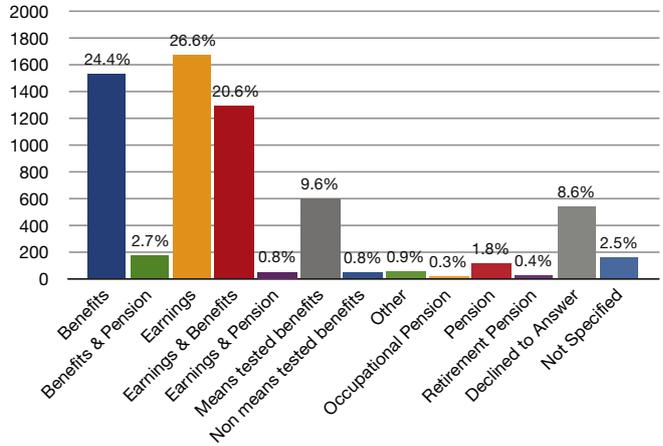
Client Profile

The following highlights the demographics of the clients that used the Debt Action NI service

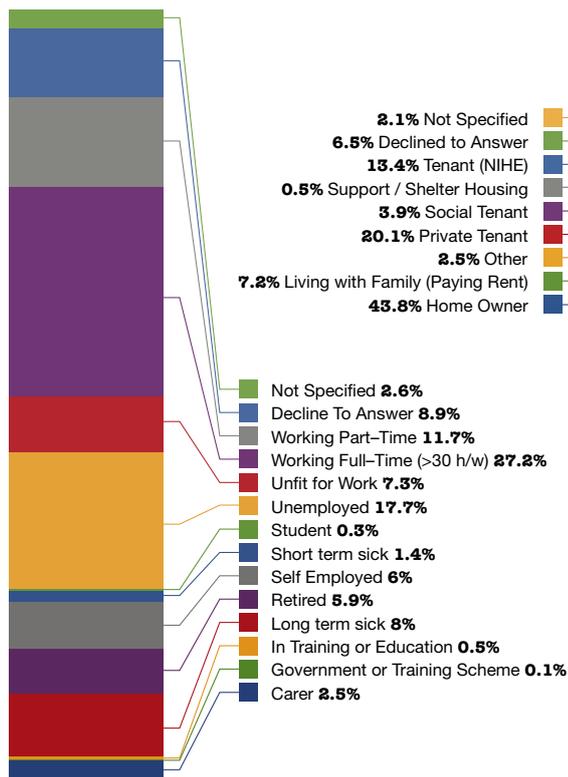
Age



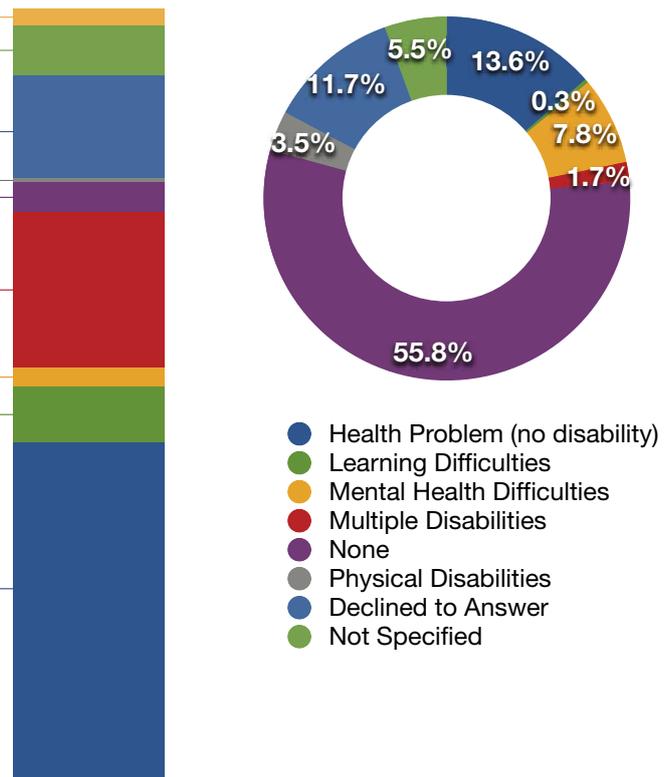
Income Source



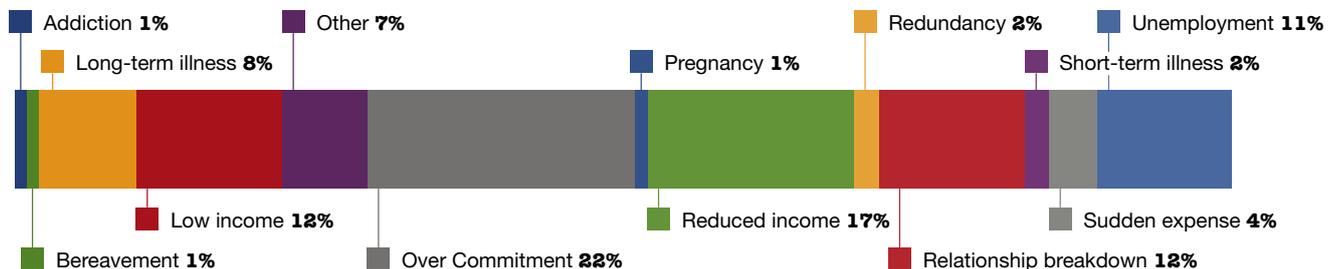
Employment



Housing Disability



Reasons for Debt

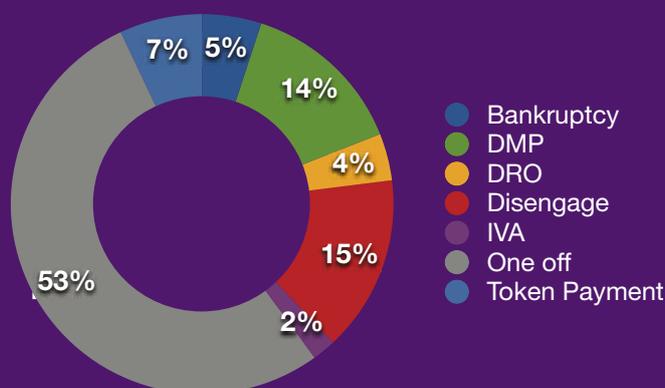


Resolution for Clients

When a client contacts the Debt Action NI service we assess their financial situation and discuss how they might maximise their income either by claiming benefits or better management of their budget. Once this process is complete, the adviser is able to consider and explain appropriate options to the client, helping them make an informed decision about how to deal with their finances.

Our advisers can support clients through a range of outcomes including insolvency, debt management plans, token offer payments, write offs and full and final settlements. They can advise on possession and voluntary surrender proceedings and they can represent at court.

Debt Action NI Outcomes



Some clients will disengage with the service as they take their own action once they have all the information.

A Quality Service - What the clients had to say

Advice NI conducts client feedback surveys in order to improve and assess the impact of Debt Action NI. From those surveyed, 99.5% said they would recommend it to others.

99.5%

of those surveyed said they would recommend the service to others

How happy respondents were with different aspects of the service.

	Excellent / Very Happy	Very Good / Fairly Happy	Fair / Unhappy	Poor / Very Unhappy
Location	70	24	5	1
Waiting time	89	11	0	0
Quality of advice	93	7	1	0
Effect on situation	92	8	0	0
Importance of service	98	1	1	0
Overall Experience	94	6	0	0

How it really is the client's story (all personally identifiable information has been changed)

Bankruptcy

David works full-time, is a homeowner and a carer. He is separated and has access to his children at the weekend. In total, David had over £21,000 of debt and a property which was in negative equity of approximately £30,000. Over the years, David borrowed more credit to try and keep his debts under control but this had the opposite effect and caused him to slip into further debt and depression. His situation became urgent when the lender tried to get an order charging land. After speaking with the Debt Action NI adviser, David agreed that bankruptcy was his best option and he has now been discharged. He is more content in his home life, can sleep at night and is enjoying life again. David said *"Twelve months ago I sat in front of a judge and declared myself bankrupt. It was a massive scary decision which for ages scared me because I couldn't get my head out of the sand or see clearly but after speaking to you following your advice things became a lot easier. Thanks, you've helped me a lot and I appreciate it."*

"The adviser was brilliant... The adviser made me feel better."

One Off Advice – Write Off

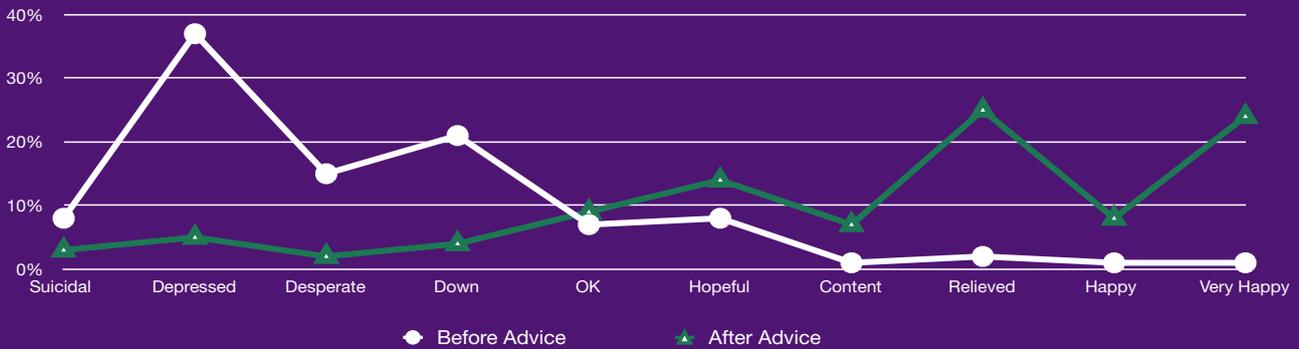
Deirdre was referred by her social worker as her debts were detrimentally affecting her health. Her husband was unaware of her debt and unfortunately when he found out the relationship broke down. Deirdre relies solely on benefits as she suffers from a number of mental and physical disabilities. Deirdre was admitted to hospital and upon discharge went on a spending spree, accessing credit worth £36,000. Our adviser immediately gathered medical evidence to prove she was not liable for the debt due to her mental health and helped her apply for a housing executive property. To date, the adviser has been able to get £25,000 of the debt written off. Deirdre is delighted with the support she has received, *"The service was brilliant. I was very depressed before getting advice and help from Debt Action NI. I also felt stupid to have got myself into this situation. The adviser made me feel better and helped me sort out my debt."*

"Thanks, you've helped me a lot and I appreciate it."

Debt Management Plan (DMP)

Stephen was married, worked full-time and was a home owner. He had two children, one of whom died recently. The client was a tradesman and previously earned a generous wage due to overtime. Unfortunately work slowed down and his wages decreased significantly. He had £16,000 of debt. His home was in equity and there was not long left on the mortgage. His partner worked part-time and found the stress of debt and the death of their child hard to cope with. After meeting with the adviser, Stephen decided to set up a DMP to repay his debt. Stephen said *"I had no confidence in my situation to sort it out myself. The adviser was an absolute God send. Other than losing our child our money situation was the next worst thing - it nearly destroyed us. Thank you so much."*

Before and after advice



One client's comments summarises the impact debt and the service had on her life:

"I cannot put into words the difference you have made to my life. Last Christmas 2011 was my 'rock bottom' and I honestly never thought it would be possible to get out of my financial disaster. I feel human again and part of a normal society due to your help and kindness. I know that I have a massive task ahead of me but feel more confident and able to cope so much better. Debt not only leaves you penniless but it is like 'cancer' as it slowly eats away at you depriving you of your mental and physical health. I hope other people avail of your service and I talk about you to anyone I feel might be struggling financially. I have even asked my sister to talk to you but again I think the stigma of debt stops people making that final step. The adviser was a lovely person and they sincerely saved my life and made me realise that there is always a solution. I will be forever grateful and to date my plan is going ok. Thank you."

Delivery Agents and Partners

Advice NI delivers the Debt Action NI service with support from our members and partners who help provide front line services.



Debt Action NI

Freephone: 0800 917 4607

Text: ACTION to 81025

Email: debt@adviceni.net

Website: www.debtaction-ni.net

Our thanks to
our funders:

