

# 2016 outcome evaluation of debt advice funded by Money Advice Service

Advice delivered in England & Wales

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## Foreword

Debt advice can have a powerful impact on improving various aspects of a client's life. In most cases after receiving advice, evidence shows that one or several of the following happen: a client's debts fall, their financial capability increases, their wellbeing improves, strains in relationships with friends and family reduce. Critically, people feel more in control.

Witnessing the positive impact of debt advice first hand is a privilege my colleagues and I frequently have through conversations with clients and debt advisers during our visits to advice agencies across the country.

This direct insight is valuable and unique; although, we recognise its limitations both in terms of how many people we talk to and when we talk to them. This report addresses both issues, by bringing together the findings from interviews with more than 1,800 clients, three to six months after they received advice.

The broad value of the services we commission is compelling, yet this evaluation, along with other research identifies some shortcomings and areas for improvement. We are committed to continuous improvement and we will use what we have learned to build services that are as effective and accessible as possible; ensuring that they have an equally strong impact with clients from across the communities they serve.

We will continue to gather and share impact data on our projects to ensure transparency and further add to the evidence base for debt advice as a transformative activity – for individuals, their families, their employers and their communities.

The services we commission are supporting clients with ever-more complex issues and have rarely been under greater pressures. We encourage other funders to reflect on the findings of this report, as we have, and consider the implications for them in today's debt advice landscape.

**Sheila Wheeler**

**UK Debt Advice Director**

## Executive summary

Since April 2012, the Money Advice Service has been responsible for coordinating and improving standards of the UK's debt advice sector. With this, it has also become a major funder of free-to-client debt advice. The Money Advice Service continually evaluates the advice services it funds. This report describes clients' experiences of debt advice received in 2015 and early 2016 and assesses client outcomes three to six months after the closure of their case. It considers debt advice services provided in England and Wales and examines outcomes defined in the Money Advice Service's Debt Advice Outcomes Framework.

### The experience of debt advice is diverse but benefits most clients

- Most clients benefit from advice in some way, and often in multiple ways. From six measures selected from across the outcomes framework to represent varied types of advice outcomes, a large proportion (47%) report experiencing four or five out of the six.<sup>1</sup>
- Only 2% of clients experience no positive outcomes across these.
- Still, there is only moderate correlation between the variety of advice outcome type measures selected. This indicates that there is a diversity in the outcomes experienced across clients.

### Debt advice improves financial wellbeing

- Nearly two-thirds of clients with arrears (64%) have reduced or cleared their debts within three to six months of advice.
- A large majority (86%) of clients receiving advice on how to maintain or increase their incomes subsequently do so.
- The perception that the advice resolves the clients' problems and increases financial control are influential factors in whether or not clients had reduced (or cleared) their debts.

### Debt advice promotes subjective financial wellbeing and control

- The majority of clients (59%) feel their situation is better now, three to six months after their adviser closed their case.
- Two-thirds (65%) of clients report greater financial control. Seven in ten are less worried (71%) and less stressed (72%) about their debts and financial difficulties.
- It is often the same clients who report positive outcomes across these measures: they are highly correlated outcomes of debt advice.
- Highly significant factors influencing subjective financial wellbeing include aspects of the advice received, such as advice about how to increase income, getting all the help they wanted from the advice.
- Improved understanding for dealing with debt and better day to day money management as a result of the advice are also important factors associated with improvements in financial wellbeing.

### Debt advice impacts financial capability

- The majority of clients (63%) report having new knowledge for dealing with debt and financial difficulties across multiple measures.
- Six in ten (59%) report having better day to day money management behaviours as a result of the advice they received. In fact, only 2% of clients reported no improvement on any of five measures of money management behaviours considered.<sup>2</sup>
- This is strongly indicative of the positive impacts of debt advice provision on financially capable behaviour, which in turn has the potential to help alleviate financial difficulty in the short term and prevent it in the longer term.
- The actions clients agreed in discussion with their advisers were influential factors in driving improved financial capability. Moreover, it was the actions agreed, rather than the actions progressed, which was highly significant.
- Being advised what to do if their situation changed was also important for improving financial capability.

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<sup>1</sup> The six measures are: the advice resolved clients' problems; understanding very well the steps needed to deal with debts; taking any actions agreed; feeling more in control financially; cleared or reducing debts; feeling that the overall financial situation is much better.

<sup>2</sup> These are: checking incomings and outgoings more regularly and/or more thoroughly; cutting back on spending or saving money; planning for paying my bills in a priority order; planning ahead for household bills and expenses; and keeping to a spending plan.

## Clients' satisfaction with the advice depends on what it covers

- Seven in ten clients (72%) say that they get all the advice or information they want from the advice. A similar proportion (67%) feel that it resolves the problems they ask for advice on, completely or greatly.
- There is high correspondence in the clients experiencing positive outcomes in relation to these two measures. In other words, those feeling they got all the advice they wanted and that the advice resolved their problems are often the same people.
- Altogether then, some 59% of clients said they both received all the help they wanted and that the advice resolved their problems, either completely or to a great extent. As an apparent measure of client satisfaction with the advice they received, this is a significant proportion of all debt advice clients.
- Feeling that the advice resolved their problems is influenced most strongly by the content of the advice clients received. In particular: whether or not they are advised what to do if their situation changes (which 74% are); and agreeing formal or informal action (which 89% do).
- That actions are subsequently progressed is also important for client satisfaction.

## Actions agreed with the adviser are often progressed

- Nearly all clients (93%) agree some form of action to take with their adviser, whether for them or their adviser to take. These include 89% who agree formal or informal debt resolution action.
- For nearly all of these clients, actions are progressed (94%). This is equivalent to 87% of all clients who receive debt advice.
- Nearly a half of clients overall agree formal actions to take: bankruptcy, an Individual Voluntary Arrangement or a Debt Relief Order (46%). Of all types of action, formal actions are associated most consistently with subsequent, positive outcomes. However, those agreeing formal action are less likely to have progressed all actions three to six months after their case being closed.
- Those agreeing formal action are, in turn, likely to be more complex cases, in relation to a client's debts and their situation. For example, they are more likely to be in arrears with both priority and non-priority debts when they seek advice, and to receive a greater number of advice sessions.

## Debt advice clients are diverse

- Clients of debt advice comprise men (44%) and women (56%) and are drawn from all age groups. Reflecting the composition of the general population, 18% are from non-White British groups.
- The unemployed (22%), lone parents (17%) and those living in homes rented from a social landlord (51%) are substantially overrepresented among debt advice clients compared with the general population.
- Some 59% of clients reported to the survey that they had a mental health diagnosis. This is far higher than measured in national surveys and resonates with high levels of over-indebtedness among people with mental health problems.
- Clients' socio-demographic characteristics are rarely strong or consistent drivers of debt advice outcomes. The possible exceptions are ethnicity and reporting having a mental health condition, for some outcomes. We discuss this further below. In addition, housing tenure predicts clients' satisfaction with the advice they receive and their subsequent feelings of financial control independently of other factors.
- Over a half (57%) of clients reported being in arrears with priority debts (such as council tax) and 24% with non-priority debts only. A further 19% of clients were not in arrears.
- Triggers for seeking advice mostly reflect life experiences which might cause debt, such as illness (42%), or the consequences of debt, such as creditor action (39%). Two in five clients (41%) have previously ever sought debt advice.

## Study approach in brief

A total of 1,822 clients receiving debt advice funded by the Money Advice Service were asked about their experiences of the advice and subsequent outcomes. The outcomes measured were informed by the Money Advice Service's Debt Advice Outcomes Framework, an evaluation framework established in 2013 (see Appendix 1). Fieldwork was carried out by Optimisa Research in 2016. The survey was undertaken three to six months after the clients' case was closed by the adviser and respondents were selected from cases closed between July 2015 and June 2016. All respondents were, by definition, experiencing problem debt when they sought advice and a majority were also in arrears.

## Conclusions

It is clear from the findings presented in this report that reported client outcomes following Money Advice Service-funded debt advice are generally positive and that the vast majority of clients agree actions to take. Nonetheless, client experiences of debt advice do vary. The content of advice clients receive, in combination with the nature and complexity of their debt problems, directly influence clients' satisfaction with the advice as well as their new knowledge and understanding for dealing with problem debt. The extent to which a client feels they received the advice they wanted and it resolved the problems they had sought advice on appears to be important because it is linked with the subsequent outcome measures of debt advice, such as whether or not an action is progressed, money management behaviours, and financial wellbeing.

Client satisfaction is a critical factor in the extent to which actions are subsequently progressed, whether by the client or their adviser. But so are other (unobserved) factors which might reflect the adviser's subsequent role or the underlying intentions or circumstances of the client. Certainly, agreed actions are not always progressed, and this is particularly true for formal actions, which include bankruptcy, IVAs and Debt Relief Orders. Understanding why this is the case might be an important focus of further policy research, particularly given that formal actions tend to be associated with other, positive outcomes. In the meantime, taking on new knowledge for dealing with debt seems to derive from the content of what people discuss with advisers – especially options for informal action – rather than from any actions that are subsequently taken.

Satisfaction with advice, the nature of the advice received and new knowledge for dealing with debt are highly significant drivers of reporting managing money better. Together with better money management, improved knowledge for dealing with debt points to the positive role of debt advice in improving financial capability among the over-indebted. In turn, aspects of the advice received (but not, typically, the actions they agree) and clients' satisfaction with this help determine clients' positive financial outcomes (such as debt reduction) and wellbeing. Knowing what to do if circumstances change, and improved financial capability are also important for positive financial outcomes and wellbeing. In other words, aspects of advice which promote client satisfaction and financial empowerment appear especially important for the end objectives of debt advice. And then it is more people's day-to-day circumstances and what they do day to day as a result of the advice which influences how they *feel* about their situations.

Despite identifying particular pathways which suggest complementary and potentially cumulative positive outcomes for some clients, there is nonetheless clear evidence of diverse patterns in clients' experiences of debt advice outcomes. As such, only a minority will experience positive outcomes across the majority of outcomes. There is some indication that not all clients currently benefit from debt advice in relation to specific outcomes. In particular, a minority do not feel that the advice resolved the problems they had sought advice about, and over a third had not reduced their outstanding debts. Moreover, a small proportion report that their debts have increased, or that their financial situation is worse. These outcomes relate most clearly to the clients who appear to have the more complex debts and complex wider situations.

As such, it could be that some clients have particular needs or circumstances which make them harder to deliver positive debt advice outcomes to, or even that some have unrealistic expectations of what debt advice can offer them. However, we cannot determine if this is the case based on the available data. Others may need longer than the timeframe covered by the research to bring about or experience positive change. And for some, it may be that specific, individual, outcomes defined in the outcomes framework are not appropriate to them. For example, some clients might not need to achieve debt reduction if they instead need support to achieve a position in which their debt repayments become manageable through income maximisation. More broadly, the advice may not have been adequate for all clients, at least in the way that clients themselves experienced and perceived the advice, and this relates clearly to – if not directly influences – other advice outcomes, including debt reduction. Nonetheless, it is positive that very few clients appear not to benefit at all when a selection of measures drawn from across the outcomes framework is considered.

Although demographic characteristics of clients are rarely strongly significant in driving outcomes, our analysis has nonetheless found that two groups are notable for being at particular risk of poorer outcomes on some measures. This is true independently of other influences (such as triggers for advice-seeking and the nature of the advice received and actions progressed), and are often more important than these other factors. These groups are:

- Ethnic minority groups (as a whole, compared with White British clients). These clients are less likely to agree to formal actions to resolve their debts and to report knowing how to deal with their debts as a result of the advice than their White British counterparts. And they are more likely to report that their debts have increased since seeking advice. Our analysis suggests that this is because clients from non-White British backgrounds did not receive debt advice to meet the specific needs of the client to the same extent as White British clients, and that this occurs indirectly where non-White British clients present with more complex or specific needs.
- Clients reporting that they have a mental health diagnosis (again, as a whole, compared with those not reporting a diagnosis). These clients are rather less likely as a result of the advice to understand 'very well' the steps they need to take to resolve their debts and to report improvements in subjective outcomes (such as worry about their financial situations, and feelings of financial control and their overall financial situation). However, this is not apparently due to receiving (or perceiving to have received) different levels or aspects of advice compared with their counterparts who did not report a mental health condition.

In both cases, there is considerable diversity within these groups. It is important to understand whether improvements in debt advice provision could address this apparent disparity, and better meet the needs of all clients. Further work to delve deeper into the situations and experiences of the clients who do not have positive outcomes, which considers the particular needs of clients from minority groups or with mental health conditions, might help shape such improvements.

Currently, one in four clients are referred to other organisations for help, and this might be applicable for more clients. In other words, we need to understand whether and what specific improvements to the advice process could help to improve the outcomes for a greater number of clients and those with particular or more diverse needs and circumstances. Finding ways to improve satisfaction and empowerment among clients is an important objective within this, from which other outcomes may flow.

# 1. Introduction

An estimated 7.9 million people in the UK were over-indebted in 2016.<sup>3</sup> It has previously been estimated that 1.5 million are accessing debt advice.<sup>4</sup> Debt advice offers a range of positive outcomes to those struggling with debt or wider financial difficulties. These include negotiating affordable and effective mechanisms of repayment with creditors, clearing or at least reducing debts even within a short period and improving financial capability for clients' long-term benefits. Outcomes extend to reductions in stress and sleeping difficulties, improved family relationships and emotional and mental wellbeing.<sup>5</sup>

Since April 2012, the Money Advice Service has been responsible for coordinating and improving the standards of the debt advice sector across the UK. With this responsibility, it has also become a major funder of free-to-client debt advice, working with a number of delivery partners nationally and regionally within England. In England and Wales, the focus of this report,<sup>6</sup> the Money Advice Service funds integrated multi-channel services through a number of organisations. During the period of advice provision covered by this research (July 2015 to June 2016), this comprised five main organisations, often referred to as Lead Organisations:

- Citizens Advice (England and Wales): which advised 82,625 clients during the period of the research.
- East Midlands Money Advice (East Midlands): 13,037 clients.
- Greater Merseyside Money Advice Partnership (north-west England): 10,600 clients.
- Money Advice West (south-west England): 4,526 clients.
- Capitalise (London): 3,793 clients.

An early evaluation of Money Advice Service-funded debt provision found that many clients reported having started to reduce their debt problems and feel more in control of their situation within a few months of receiving advice. The majority had also received the support and advice they had hoped for and levels of satisfaction with advice received were high.<sup>7</sup>

This evaluation has been conducted to measure debt advice outcomes based on a new survey of the clients of the services. At its core, the survey was designed to measure 15 outcomes previously developed by the Money Advice Service in collaboration with academics and the debt advice sector as part of a sector-wide debt advice evaluation framework.<sup>8</sup> The final outcomes and their measures, which form the resulting Money Advice Service Debt Advice Outcomes Framework, are shown in Appendix 1 and can be categorised broadly as recognising and framing debt problems, actions to resolve debt problems, money management and movement towards debt resolution, all stages of which are explored in this report.

This survey, compared with the earlier one, uses a new data collection methodology and a different group of debt advice organisations. Consequently, the results in this report cannot be compared directly with those from the earlier study.

## About this report

The aim of this report is to identify and explore the outcomes of Money Advice Service-funded debt advice in England and Wales in 2016. It does so by taking the outcomes set out previously in the Debt Advice Outcomes Framework (Appendix 1) and relating these to four main aspects of debt advice and, in turn, its subsequent impacts. These provide the structure for the chapters which follow, starting with the content of the advice clients received and their experiences of and satisfaction with it.

The report explores whether clients were advised about what to do if their situation changed and if debt resolution or other actions were agreed with their advisers. It also looks at whether clients were advised about how to increase their incomes, and if they were satisfied with the advice they received ([Chapter 2](#)). Reporting improvements in knowledge and understanding about how to deal with problem debt is covered in [Chapter 3](#), and the progression of actions agreed and improvements in money management behaviour in [Chapter 4](#). Finally, the report investigates, three to six months after receiving advice, if clients felt in more control financially, reported less worry and stress about their financial problems, felt their situations were better, and had reduced or cleared all their debts ([Chapter 5](#)).

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<sup>3</sup> Money Advice Service (2017)

<sup>4</sup> Money Advice Service (2013)

<sup>5</sup> Brackertz (2014); Davies et al. (forthcoming, 2017); Stamp (2012); Optimisa Research (2014)

<sup>6</sup> In Scotland, face-to-face services were provided by a range of projects in partnership with the Scottish Legal Aid Board. In Northern Ireland multi-channel service delivery was provided in partnership with Citizens Advice Northern Ireland. Scotland and Northern Ireland are outside the scope of the current report. A separate report is available which specifically evaluates the advice provided by organisations funded by the Scottish Legal Aid Board.

<sup>7</sup> Optimisa Research (2013)

<sup>8</sup> Personal Finance research Centre (2013)



The results are based on the analysis of data gathered from 1,822 debt advice clients. Throughout the report, where any differences between groups, relationships between measures or determinants (predictors) of outcomes are reported, these are statistically significant based on the appropriate statistical tests.<sup>9</sup> To identify the *independent* influence of a characteristic on an outcome (controlled for other potential predictors), we use regression analysis.<sup>10</sup>






The rest of this chapter describes the methodology of the survey and the profile of clients advised by Money Advice Service-funded debt advice services.

## 1.1. Methodology

The client survey on which this report is based was designed and developed by the Money Advice Service in collaboration with Optimisa Research (now PwC Research). It includes questions designed to measure the 15 outcomes previously established in the Money Advice Service’s Debt Advice Outcomes Framework (Appendix 1). Survey questions were subject to cognitive testing in 12 semi-structured telephone interviews, refined and then piloted in 435 full interviews. Due to significant changes in the survey as a result of the piloting, data from the pilot interviews were excluded from the data reported here.

The data were collected between February and October 2016 based on advice provision in England and Wales between July 2015 and June 2016. Only cases closed by the advice provider in this period were included in the sample frame for the survey.<sup>11</sup> Clients were interviewed between three and six months following the closure of their case.

A random sampling approach was undertaken where possible to provide a representative sample of clients advised during the period July 2015 to June 2016. All sample members will, by definition, have had problem debt when they sought advice although not all will have been in arrears at the time. All respondents who reported being in arrears at the start of the survey were screened into the sample. Those who were not in arrears were screened in if they also said that they had taken some action to improve their financial situation after seeking advice.<sup>12</sup>

| Quantitative Fieldwork   | Analysis of the Data  |
|--|---|
|  <p>All interviews were conducted from Optimisa Research’s (now PwC Research) telephone unit in Leeds</p>  <p>A fixed number of interviews was set for each Lead Organisation to reflect the overall spread of Money Advice Service clients</p>  <p>Where possible, a stratified random approach was used to select which clients were called, to control the demographic profile of the survey group</p> |  <p>Over the four waves of research, 1,822 interviews were completed</p> <ul style="list-style-type: none"><li>Q3 2015/16: Feb/Mar 2016 – 439</li><li>Q4 2015/16: Mar/Apr 2016 – 460</li><li>Q1 2016/17: Jun 2016 – 459</li><li>Q2 2016/17: Sept/Oct 2016 – 454</li></ul>  <p>This report combines data from the four waves. Data is weighted by Lead Organisation, age and gender to reflect the overall profile of clients</p> |

<sup>9</sup> Statistical significance ( $p < 0.05$ ) indicates that the observed effects are large enough in the sample that they are unlikely to have occurred by chance (in this case a less than one in twenty chance), and can therefore be generalised to the population with confidence.

<sup>10</sup> Regression analysis is a type of multivariate analysis. Here, we use binary logistic regression, to reflect that all of our defined outcomes are dichotomous (yes/no).

<sup>11</sup> The process and triggers for closing a case vary by organisation. However, in each instance, case closure indicates that the advice agency no longer expects to be in contact with the client in relation to the queries raised as part of this contact process.

<sup>12</sup> Overall, 83% of clients in the sample were ‘in arrears’ when they sought advice, while 17% were ‘not in arrears’ (falling to 81% ‘in arrears’ and rising to 19% ‘not in arrears’ when weighted). This means that the resulting sample is biased slightly towards those who said (at the start of the survey) that they had taken action. We can also see from Appendix Table 1 that the profile of clients differed depending on their sample type. We therefore account for sample type where appropriate in our analysis throughout the report.

Survey interviews were undertaken by telephone and were conducted in four waves (to ensure interview three to six months after closure of their case). Each wave sampled clients to set quotas, broadly reflecting the relative size of the client base of each funded Lead Organisation, and were then combined for the analysis. The resulting sample size was 1,822 clients across England and Wales and for the analysis to be representative of all debt advice clients the data were weighted by organisation, age and gender. As a function of the spread of advice provision across the different organisations, the client base represented here is dominated by those receiving advice from Citizens Advice (72%).<sup>13</sup>

As a survey of debt advice clients, the results described here are based solely on self-reported data.

### 1.2. Characteristics of debt advice clients

While the population of over-indebted households and individuals is diverse,<sup>14</sup> so we find that the characteristics of debt advice seekers is also diverse (Appendix Table A1). Clients of Money Advice Service-funded debt advice comprised men (44%) and women (56%), drawn from all age groups (median age 43) and 18% were from non-White British groups.

Some socio-demographic groups were substantially over-represented among debt advice clients, compared with the general population. These include the unemployed (22%), lone parents (17%) and those living in homes rented from a social landlord (51%, rising to 54% among the group who were in arrears when they sought advice). In the 2011 Census for England and Wales, for example, 4.3% of individuals were unemployed, 7.2% of households were lone parent households and 17.6% rented from a social – local authority or housing association – landlord.<sup>15</sup> Over-representation here is not entirely unexpected, reflecting the average lower incomes of each of these groups and that one of the major routes into financial difficulty is a persistent low income.<sup>16</sup>

#### ***Compared with the general population, debt advice clients are substantially over-represented by the unemployed, lone parents and those living in homes rented from a social landlord.***

Additionally, it appears that people with mental health diagnoses are over-represented among debt advice clients (59%), although this is based purely on a self-reported question. This contrasts with a figure of 17% who meet the criteria for a common mental disorder nationally.<sup>17</sup> Nonetheless, this resonates with high levels of over-indebtedness among people with mental health problems.<sup>18</sup>

There is also diversity in the profile of debt advice clients in relation to the characteristics of their debt and their experiences of debt advice. For example, 57% of all clients reported being in arrears on priority debts (such as mortgage, rent, council tax or household fuel) when they sought advice, while 24% were behind with non-priority debts only. The remaining clients (19%) were not in arrears. The triggers for seeking advice mostly reflected the factors which cause debt, such as illness or relationship breakdown (42%), or the consequences of debt, such as creditor action (39%). Two in five clients (41%) had sought advice in the past, and a quarter (23%) considered that they were still receiving advice from the advice agency; this is despite the organisation having closed their case. For the vast majority of clients, their *main* contact with the adviser was face to face (88%), and many recalled having at least two sessions (69%); these included 7% who had between six and ten sessions and 3% who had more than ten.

A full breakdown of the key characteristics of the client base is shown in Appendix Tables A1 and A2.

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<sup>13</sup> Shown in Appendix Table A2. With thanks to Optimisa Research for providing the study methodology infographic.

<sup>14</sup> Morawiec et al. (2016)

<sup>15</sup> 2011 Census (2012)

<sup>16</sup> Hartfree and Collard (2015)

<sup>17</sup> McManus et al. (eds.) (2016); this figure is for England only, 2014.

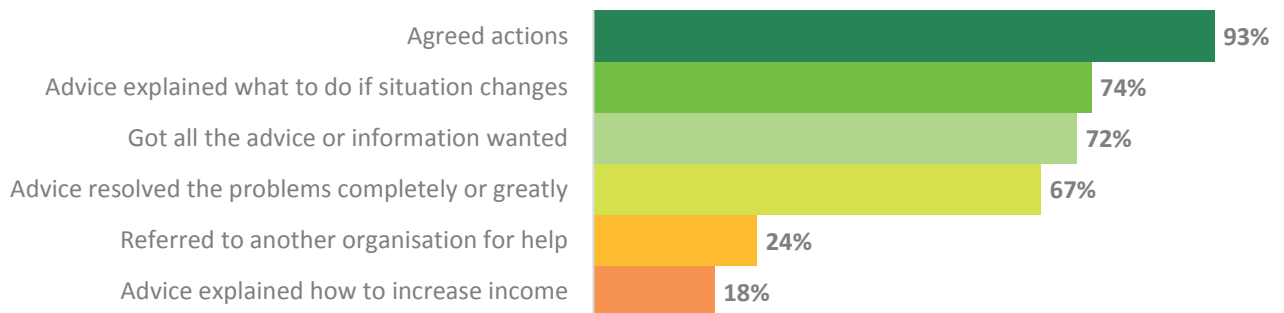
<sup>18</sup> See, for example, Fitch et al. (2007).

## 2. Experience of debt advice

This chapter focusses on the client's experience of the debt advice process, including the content of the advice received and a client's perceptions of it, as measures of the effectiveness of debt advice. Effective debt advice might involve providing key information about how a client can manage and improve their situation, and referrals to other organisations (where appropriate). It might also involve agreeing actions the client or the adviser needs to take to resolve existing debt or improve their household's financial situation. Finally, effective debt advice might be indicated by the perception, of the client, that they received all the help they wanted from the advice process or that it resolved the problems they asked for advice about. Each of these measures is considered in turn.

### Key findings: experience of the debt advice process

- 72% of clients said that they got all the information they wanted from the advice, and 67% felt the advice resolved their problems completely or to a great extent.
- 93% of clients *agreed actions for either themselves or their advisers to take*, including 89% who agreed any debt resolution action and 46% who agreed formal debt resolution actions specifically.
- Agreeing formal action was associated with the most consistent positive debt advice outcomes across those considered; but its effect on financial wellbeing in particular was mediated by clients' other outcomes.
- 74% of clients were *advised what to do if their situation changed* and this was the most important factor driving clients' perceptions that the advice they received resolved their problems. Only 18% *received advice on how to increase their incomes* and 24% were *referred to another organisation*.



### 2.1. Key information or advice received

A range of information or advice might be offered within a debt advice session, reflecting the client's situation and advice needs. Some three-quarters (74%) of clients overall recalled being advised what they should do if their situation changed.

In contrast, only 18% of clients received advice on how to increase their incomes. This was slightly more common among people reporting mental health diagnoses (19% compared with 16%) and varied by the number of sessions received, with 27% of those receiving six to ten sessions receiving help with income maximisation.

Finally, 24% of clients were referred to other organisations for help. This was slightly higher among those with arrears on both priority and non-priority debts (29%) and those who reported that the triggers for seeking advice included the causes of debt (such as job loss or bereavement; 28%). Citing the causes of debt as triggers for seeking advice was also highly significant *independently* of other factors, making it an important influencer of onward referrals.<sup>19</sup> All other things being equal, these clients were 30% more likely to have been referred to another organisation.<sup>20</sup> This is not unexpected, because clients whose debts arose in response to major work

<sup>19</sup> Throughout this report, 'significant' refers to statistical significance at the 95% level of confidence ( $p < 0.05$ ) and 'highly significant' refers to statistical significance at the 99% level or above ( $p < 0.01$ ). Where this relates to the results of regression analysis, which identifies the *independent* association of characteristics with the outcome of interest by holding all other characteristics constant statistically, these terms are used interchangeably with 'potentially important' and 'important' (respectively). The characteristics which these terms relate to are referred to as predictors, drivers, factors and influencers of the particular outcome of interest.

<sup>20</sup> As given by an odds ratio of 1.3 in the results of logistic regression. The odds ratio is the ratio of the odds of an outcome occurring given a particular condition (characteristic) against the odds of it not occurring given that condition (in practice, the comparison is against a designated reference category). Odds and probability are related measures of likelihood, but they are measured on different scales. A significant odds ratio of less than 1.0 indicates that the characteristics reduces the likelihood of the outcome, while a significant value greater than 1.0 indicates that it increases the likelihood.

or life events are more likely to be facing other problems in their lives which may need other types of, specialist, advice. However, the finding that 42% of clients overall cited the causes of debt as triggers for advice seeking might suggest that we should expect levels of onwards referrals to be higher than they are here.

Altogether these findings suggest that advice on income maximisation and referrals to other organisations should be a priority in debt advice provision more often than they currently are.

## 2.2. Agreeing actions

Agreeing actions is a key outcome of debt advice and is likely to be the product of both the nature and quality of the advice received, the client’s situation and their disposition to accept the advice received. The vast majority of clients (93%) recalled one or more actions having been agreed with their adviser. This was more likely if the client said that they were in arrears with their debts when they sought advice (94%) than if they were not in arrears (86%). In turn, 83% of all clients agreed actions for themselves to take and 64% agreed actions their adviser would take.

Only a minority of clients (7%) had not agreed any actions with their adviser.

### Types of actions agreed

Although the primary focus of debt advice is on the resolution of debt itself, the nature of advice offered ranges widely, from formal debt solutions to advice on setting up a household budget or accessing entitled benefits. Reflecting this, 89% of clients agreed some form of debt resolution, including 46% who agreed formal solutions (bankruptcy, Individual Voluntary Arrangement (IVAs) or Debt Relief Order (DRO)) and 43% who agreed more informal arrangements, for example making reduced payments (including through a Debt Management Plan), debt consolidation and debt write off. Nearly a half of clients (48%) agreed some other form of action (e.g. money management). These percentages sum to more than 100 because clients could agree more than one type of action. Indeed, 45% agreed actions from across two of these types, and this is likely to reflect the complexity of clients’ financial difficulties when they sought advice.

#### WHY MIGHT SOME CLIENTS NOT AGREE ANY ACTIONS?

Further analysis tends to suggest that the advice received was not adequate for their needs; and possibly that debt advice was not appropriate for them at all.

SEE APPENDIX 4 FOR FURTHER INFORMATION.

### *Agreeing two or more types of actions to take reflects greater complexity in clients’ financial difficulties when they seek advice.*

Consistent with this, we find that the proportion agreeing two or more types of actions was substantially higher among those who were in arrears with their debts than those who were not when they sought advice (Table 1). Additionally, the proportion of clients agreeing two types of actions was significantly higher among clients in arrears on *both* priority and non-priority debts, those who had sought advice for debt in the past, and those receiving three to five sessions or more, and especially 10 or more (though noting that only a small group of clients in the sample had received 10 or more sessions). It should make sense that more complex problems require more complex solutions, and this suggests that debt advice is responding to that complexity.

**Table 1: Clients agreeing two or more types of action by key characteristics**

|   | %         |  | %         |
|---|-----------|--|-----------|
| <b>Types of arrears when seeking advice</b> |           | <b>Number of advice session received</b> |           |
| Both priority and non-priority debts        | 55        | One                                      | 38        |
| Priority debts only                         | 42        | Two                                      | 41        |
| Non-priority debts only                     | 45        | Three                                    | 52        |
| No arrears                                  | 33        | Four to five                             | 52        |
| <b>Has sought advice in the past</b>        |           | Six to ten                               | 53        |
| No  | 41        | More than 10                             | 63        |
| Yes   | 51        |  |           |
| <b>Average for all clients</b>              | <b>45</b> | <b>Average for all clients</b>           | <b>45</b> |

Base is all clients (n=1,822), weighted. Only measures which varied highly significantly statistically ( $\chi^2$ , p<0.01) are shown.

## Agreeing formal action

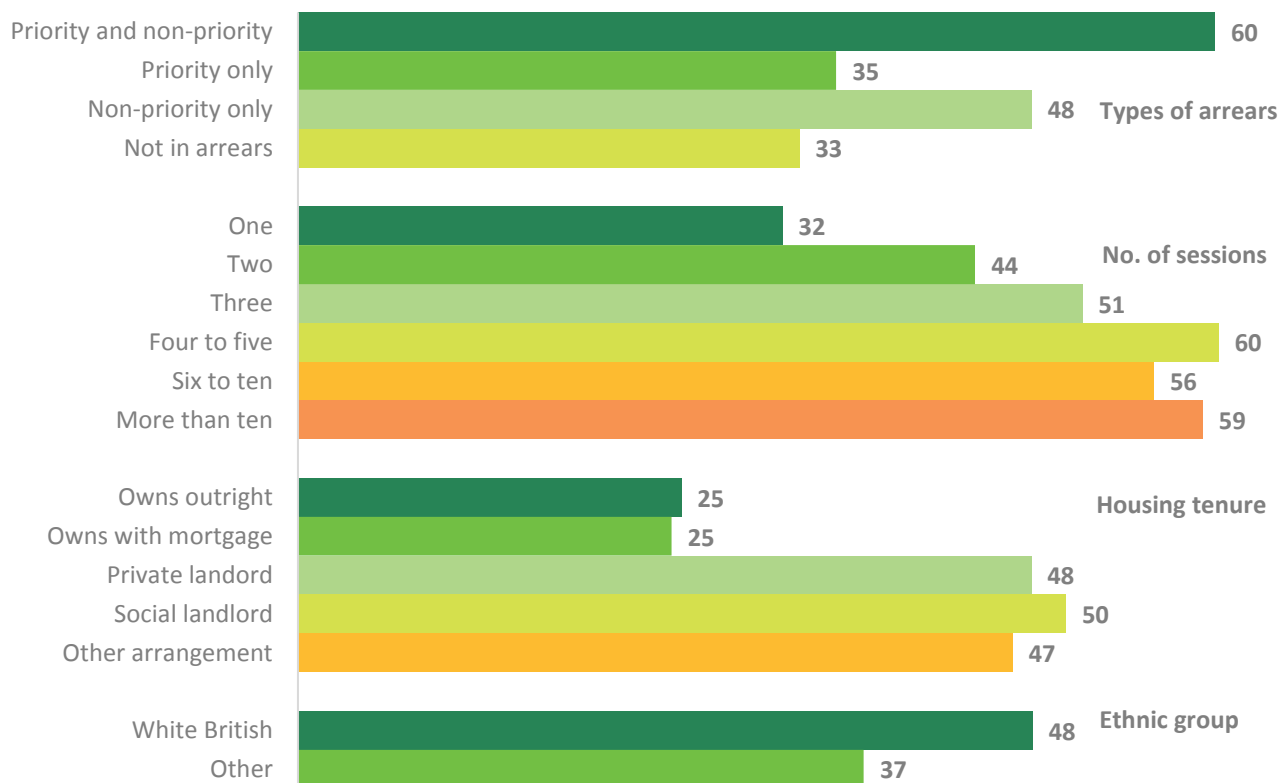
We have seen that 46% of clients were recommended and agreed formal actions: bankruptcy, IVAs or DROs. These clients are likely to be those with the most intractable financial difficulties: debts they cannot afford to repay given their circumstances. Independent of other factors, we confirm that highly significant predictors of agreeing formal solutions included:

- The types of debts clients were in arrears with when they sought advice;
- The number of advice sessions they received; and
- The client’s housing tenure (which, in the absence of a measure for income, is also indicative of income).<sup>21</sup>

All other things equal, clients with arrears on priority *and* non-priority debts were nearly three times as likely and those in arrears on non-priority debts only were nearly twice as likely to have agreed formal action, compared with those with no arrears.<sup>22</sup> Notably, those with arrears on both priority and non-priority debts were also more likely than those with priority debts only to have agreed formal action, independent of other factors. This suggests that arrears on non-priority debts are most important for driving the agreement of formal action. And those receiving more than one advice session (which implies greater case complexity) were substantially more likely than those with one session only to agree formal actions.

Those living in a home rented from a private or social landlord were much more likely to have agreed formal actions than homeowners, independently of other factors. This might be because DROs are only available to people with assets totalling less than £1,000, and that equity in the home and any other assets are normally exposed in bankruptcy and IVAs.

Clients from White British backgrounds were also significantly more likely to agree formal actions. Although this effect was small, it is highly significant statistically and could be of substantial practical significance if it reflects systematic disadvantage for other, non-White British, groups.



**Figure 1 Percentage of clients agreeing formal action, by highly significant characteristics**

Weighted %, base is all clients (n=1,822). Only highly statistically significant measures (any category p<0.01 in regression analysis) are shown. Full results are shown in Appendix Table A3.

<sup>21</sup> See, for example, English Housing Survey 2014-15 (2016).

<sup>22</sup> Given by odds ratios of 2.7 and 1.6 respectively (See Appendix Table A3).

Overall, the percentage of clients agreeing formal action was especially high among clients with arrears on priority *and* non-priority or only non-priority debts, clients receiving four or more sessions, those living in a home rented from a social or private landlord (or some other arrangement), clients from a White British background, and clients aged 31 to 35 (Figure 1). In turn, agreeing formal action was associated with the most consistent positive debt advice outcomes, such as getting all the help wanted, improved knowledge and reporting of improved money management. Its effect, however, on financial wellbeing in particular was mediated by clients' other outcomes (see Appendix 5 for further consideration of this).

### 2.3. Getting the advice or information clients wanted

In addition to the more material outcomes of debt advice, a key measure of effective debt advice derives from the client's satisfaction with the advice they received. This was asked in two different ways in the survey, with clients first asked to what extent they received the advice they had wanted and then to what extent they felt it resolved the problems they had sought advice on.

Most clients (72% overall) said that they had **got all the advice or information they wanted from the advice**. A further 23% received some help, with only 5% of clients overall saying they got none of the advice they expected.

#### WHICH CLIENTS FELT THAT THE ADVICE DID NOT RESOLVE THEIR PROBLEMS?

Independently of other factors, it was those who received only one advice session, were not advised what to do if their situation changed and those who did not agree formal or informal debt resolution actions.

SEE APPENDIX 6 FOR FURTHER INFORMATION.

In turn, 67% felt **the advice resolved their problems** either completely (41%) or to a great extent (26%). Some 14% of clients, however, felt that the advice in no way resolved their problems.

We might expect client satisfaction with the advice received to be closely related to whether or not they felt it resolved their problems. Further analysis shows that this is the case, and 88% of those who said the advice resolved their problems also said they got all the help they wanted.

Altogether then, some 59% of clients said they both received all the help they wanted *and* that the advice resolved their problems completely or to a great extent. This is a significant proportion of all debt advice clients.

*Six in ten clients said that they received all the help they wanted from the advice AND that it resolved their problems completely or a great extent.*

Moreover, feeling that the advice largely or completely resolved their problems was the most important factor in predicting that a client felt they got all the help they wanted. Independent of other characteristics, clients who felt the advice resolved their problems were 12 times more likely to feel happy with the advice received.<sup>23</sup> In other words, being satisfied with advice is highly dependent on it resolving your problems.

When we focus on the factors which independently influenced whether or not **the advice resolved clients' problems** (either completely or to a great extent), the single most important driver was being advised what to do if the client's situation changed. Other highly significant predictors related exclusively to aspects of the context and nature of the advice (Table 2).

**Table 2 Factors which independently increase the likelihood that advice resolved their problems**

| HIGHLY SIGNIFICANT PREDICTORS (P<0.01)        | OTHER SIGNIFICANT PREDICTORS (P<0.05) |
|---|---------------------------------------|
| Not in arrears                                | In arrears on non-priority debts only |
| Four to five advice sessions received         | Advised how to increase income        |
| Advised what to do if their situation changed | Rents from a private landlord         |
| Agreed formal or informal action              |                                       |

Base is all clients (n=1,822), weighted. Full results are shown in Appendix Table A4.

<sup>23</sup> Given by an odds ratio of 11.9.

The effects of agreeing formal and informal action were particularly strong. The types of the arrears that clients had when they sought advice was also highly significant. Compared with their counterparts in arrears on both priority *and* non-priority debts, someone who was not in arrears and someone who was in arrears on non-priority debts only was more likely to report that the advice resolved their problems. This might highlight the challenges associated with helping the most over-indebted clients and the time it can take to do so.<sup>24</sup> Four to five advice sessions also seemed to be a critical number of sessions for perceived resolution. This might reflect a number of advice sessions which offer a sufficient depth and breadth of advice to be effective and offer reassurance, but also to be efficient.

Taking action as a result of the advice (which we explore in [Chapter 4](#)) was also an important factor in perceiving that the advice resolved their problems.<sup>25</sup> Its influence was strong, over and above the influence of characteristics already mentioned.

## 2.4. Chapter conclusions

Client experiences of debt advice varied considerably. While most were advised about what to do if their situation changed and the vast majority agreed debt resolution actions, comparatively few were advised about how to increase their incomes and not everyone got everything they wanted from the advice. Key drivers of outcomes associated with the advice process – and satisfaction with it – relate predominantly to the nature of the debts people sought advice about and the characteristics of the advice received. Independent of other factors, those with complex debt profiles (arrears on different types of debts) and limited assets were most likely to agree formal actions, which is commensurate with provision for formal debt resolution (whether bankruptcy, IVAs or DROs).

Those most satisfied with the advice they received appeared to have less complex debt problems and were most likely to have (cooperatively) agreed debt resolution actions. As such, those less satisfied with the advice they received might include clients who have unrealistic expectations about what debt advice can offer them, or that their situations need more time to be resolved. Previous research has found that even the alleviation (as opposed to the resolution) of debt may only materialise after several months or years into the advice process, although its associated impacts (such as worry or relationship stress) may be alleviated very quickly.<sup>26</sup>

Equally, it is clear that clients who received advice on what to do if their situation changes and how to increase their income and had a moderate number of advice sessions were also more likely to feel that the advice resolved their problems. This appears to speak to the role of the comprehensiveness of advice clients received. We return to consider the practical aspects of the advice in [Chapter 3](#).

It should be expected that those who recalled being given several types of advice and information, agreed actions to take and felt advice resolved their problems had improved knowledge and understanding. This is the focus of the next chapter.

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<sup>24</sup> Noting that all clients interviewed were within 12 months of their last recalled contact, although this was also within three and six months following the closure of their case by the funded advice organisation

<sup>25</sup> This measure was added into a separate regression, table not shown, and was associated with an odds ratio of 2.7.

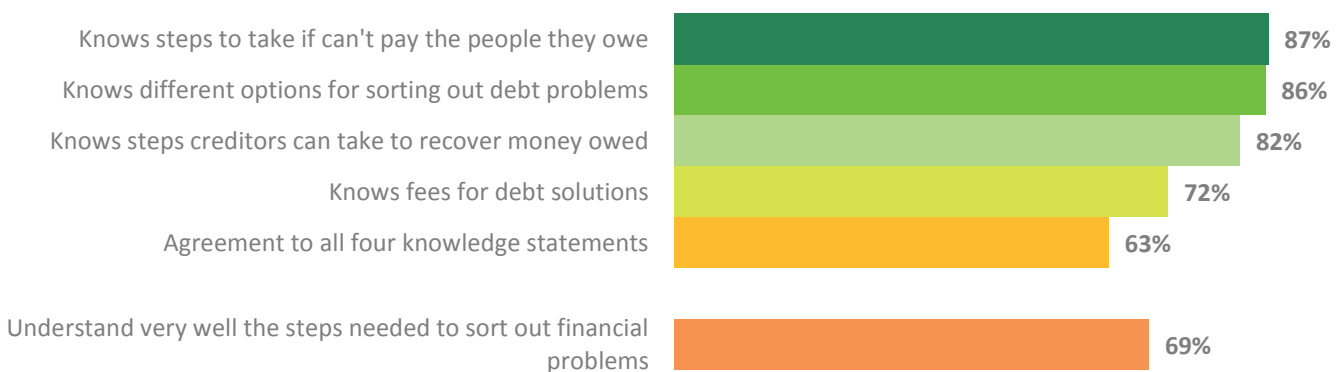
<sup>26</sup> Atfield et al. (2016); Davies et al. (forthcoming, 2017)

### 3. Knowledge and understanding

We have seen that clients' experiences of the debt advice process differed and that this was influenced by the nature and extent of their financial difficulties when seeking advice. In this chapter, our focus turns to the extent to which clients' knowledge and understanding for dealing with debt had improved as a result of the advice they received. Effective debt advice should impact on: clients' understanding of the steps they need to take to resolve their problem debt or financial difficulties; and their knowledge of how to deal with problem debt and its repercussions if it were to arise again in the future.

#### Key findings: knowledge and understanding of dealing with debt

- 69% of debt advice clients said that, as a result of the advice or information they received, they *understand very well the steps they would need to take to sort out their current debt problems* or financial difficulties.
- 63% agreed that they now *know more about dealing with debt* in relation to all four specific measures: the steps to take if they can't pay the people they owe (87%); the different options for sorting out debt problems (86%); fees for debt solutions (72%); and the steps creditors can take to recover money owed to them (82%).
- Highly significant factors in influencing these outcomes were the content of the advice and, for understanding, having less complex debt problems.
- The content of advice and actions agreed also strongly influenced whether or not clients reported that the advice resolved their problems *and* they now understood 'very well' the steps needed to sort out their debts.
- Independently of other factors, those reporting having mental health diagnoses were less likely to report both of these outcomes combined, or report now knowing more about dealing with debt.



#### 3.1. Understanding the steps needed to sort out their debt

An expected outcome of debt advice is for clients to gain a better understanding of how to deal with their debt problems. When asked how well they understood the steps they needed to take to sort out their debts or financial difficulties as a result of the advice or information, 93% said they understood well, including 69% who said they understood very well.

This is important because it suggests, for the large majority of clients, that they come away from debt advice better equipped to deal with their current debts and potentially any future financial difficulties.

This was the case even if clients were not satisfied with the advice they received. Nevertheless, satisfaction and understanding are related, with those receiving all the help they wanted more likely to have understood the steps needed very well (79%, compared with 43% of those who did not get all the help they wanted).

#### WHAT DRIVES FEELING BOTH THAT THE ADVICE RESOLVED CLIENTS' PROBLEMS AND HELPED THEM UNDERSTAND HOW TO DEAL WITH THEIR DEBTS?

Additional analysis underlines the importance of the content of advice. But it suggests that clients' capacity to understand the advice they receive is also important.

[SEE APPENDIX 7 FOR MORE.](#)

*The nature of the advice received, the complexity of the client's debt profile and the routes to their resolution all independently influence clients' understanding the steps they need to take.*



Highly significant factors for influencing **understanding the steps needed very well** were (Appendix Table A5):

- Having arrears on only priority **or** non-priority debts;
- Receiving advice about what to do if their situation changed;
- Agreeing formal or informal actions; and
- Having degree-level qualifications.

### 3.2. Knowledge for dealing with debt

Survey respondents were asked the extent to which they agreed with several statements about knowledge they now had about debt. The question relied on an implicit association between knowledge and the advice or information they received only. Four of these related specifically to clients' knowledge of different aspects of debt action and resolution. In relation to these:

- 87% said they now know more about the steps to take if they are not able to pay the people they owe;
- 86% agreed that they now know more about the **different options for sorting out debt problems**;
- 82% said they now know more about the steps the people owed money to can take to recover it; and
- 72% agreed that they now know more about the **fees that are charged for debt solutions**.

The number agreeing with all four statements was also high, at 63% of all clients.

It should be expected that taking on new knowledge about debt will relate to the information or advice clients recall receiving during their debt advice; and this is what we find. Independent of other factors, the most important factors driving clients' new knowledge were a familiar set of advice characteristics: being advised what to do if situation changed and agreeing formal or informal action. Agreeing action had by far the biggest influence and, all other things equal, those who did so were 6.3 times more likely than those who did not to now know how to deal with debt (on all four measures).<sup>27</sup>

***Those agreeing formal action were more than six times more likely to describe having new knowledge on all four measures, independently of other factors.***

Receiving advice on maximising incomes was also highly significant. Altogether, this highlights the role of the advice itself, according to its content and the debt solutions agreed, in producing other related outcomes.

Being from a White British background was also an important factor statistically in predicting new knowledge and not having had a mental health diagnosis was a (weaker) significant predictor, among others.

Overall, the proportion of clients reporting new **knowledge on all four measures** was particularly high among those receiving advice about what to do if their situation changed or how to increase their income. It was also high among those agreeing formal action and clients from White British backgrounds (Table 3). It is clear, however, that *fewer* people overall who agreed informal action (58%), than those who did not agree informal action (67%), felt they had acquired all four aspects of knowledge; this is despite finding that agreeing informal action was highly significant in driving knowledge independently of other factors. This suggests that the influence of discussing and agreeing informal action might be important in practical and policy terms, even though its influence is initially hidden by clients' other characteristics and experiences.

**Table 3 Clients reporting now knowing how to deal with debt (all four measures)**

|                                | %         |
|--------------------------------|-----------|
| <b>Ethnicity</b>               |           |
| White British                  | 67        |
| Non-White British              | 50        |
| No                             | 41        |
| Yes                            | 71        |
| No                             | 61        |
| Yes                            | 74        |
| <b>Agreed formal action</b>    |           |
| No                             | 52        |
| Yes                            | 76        |
| <b>Agreed informal action</b>  |           |
| No                             | 67        |
| Yes                            | 58        |
| <b>Average for all clients</b> | <b>63</b> |

Base is all clients (n=1,822), weighted. Only highly statistically significant measures (p<0.01 in regression analysis) are shown.

<sup>27</sup> Given by an odds ratio of 6.3. Appendix Table A6.

When *taking* (any) action was added to the analysis, its influence on knowledge was only marginal. This would tend to confirm that the most important influences on knowledge about resolving problem debt is the information and advice itself, including what is discussed about appropriate debt solutions, rather than any learning from the actions people subsequently take.

When getting all the help clients wanted and feeling that the advice resolved their problems were added to the analysis, both of these subjective outcomes were highly significant predictors. They increased the likelihood of improved knowledge by about 60% and 70%, respectively.<sup>28</sup> It is not possible to identify from this if client satisfaction *leads to* greater knowledge, for example, through greater engagement. The relationship is likely to be more complex than this; or indeed reverse. But it clearly highlights the important connections between satisfaction (as a proxy for the success of debt advice in engaging the client) and other debt advice outcomes.

### 3.3. Chapter conclusions

This chapter has found that knowledge and understanding for dealing with problem debt was generally high among debt advice clients. It has also identified the content of debt advice itself – including, for example, being advised what to do if their situations changed, and agreeing debt resolution actions to take – as playing an important role in improving understanding of the steps needed and knowledge about how to resolve debt. This is intuitive but its implications are nonetheless central to the alleviation of clients' current debt problems and the mitigation of them in the future.

There is evidence that clients reporting a mental health diagnosis and those from a non-White British background were less likely than others to report gaining new knowledge and understanding about dealing with debts, even when we control for the content and their experience of the advice they received. Appendices 2 and 3 consider the outcomes from across the report for these groups respectively. There may be more that debt advice can do to bring parity for these groups. Meanwhile, we might expect that those with better knowledge and understanding are more likely to take action and improve their financial capability, and this is where the focus turns for the next chapter.

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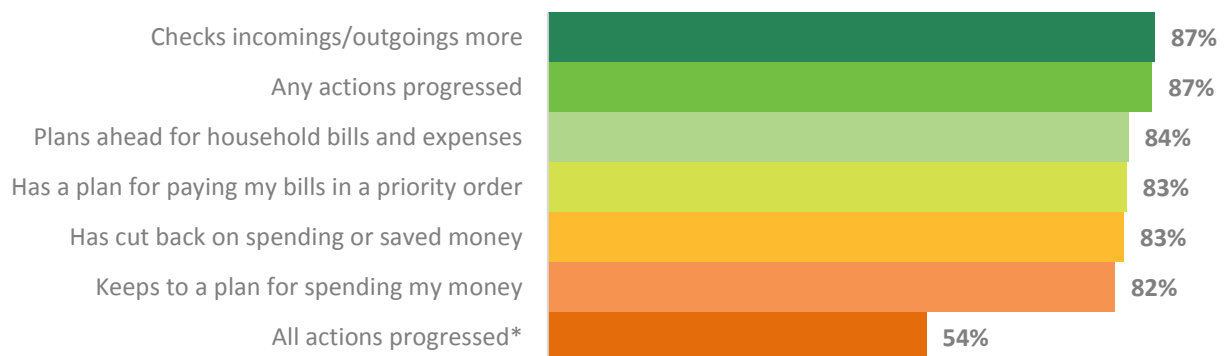
<sup>28</sup> Given by odds ratios of 1.6 and 1.7.

## 4. Taking action

We saw earlier that the vast majority of debt advice clients overall had agreed actions for them or their adviser to take to help address their financial difficulties. In this chapter, we explore the likelihood that any actions were subsequently taken and the degree to which all agreed actions were taken, whether by themselves or their adviser. We also consider the impact of the advice on money management behaviours, that is, the extent to which clients improved how they planned their spending and managed their money as a result of the advice they received. Improved financial capability is important because, where necessary, it should support both the alleviation and resolution of financial difficulties in the short term and the prevention of debt problems in the longer term.

### Key findings: taking action to resolve debt and improve money management

- 87% of debt advice clients overall reported that *some actions agreed with their adviser had been progressed*, rising to 94% of those who agreed any actions.
- Of those who agreed actions, *all actions were progressed* among 54% of clients, and this was more likely among clients agreeing fewer types of actions, feeling that the advice addressed the problems they had sought advice about, and being non-White British.
- A further 23% had progressed most actions and 16% had progressed some. Only 6% had progressed none.<sup>29</sup>
- Clients' *money management improved* as a result of the advice received, including 87% who said they now checked their incomings and outgoings more regularly or more thoroughly and 83% who had cut back on spending or saved money as a result of the advice.
- Improvements in money management were driven by the content of the advice received, actions agreed and perceiving that the advice addressed clients' problems.



### 4.1. Taking agreed actions to resolve financial difficulty and debt problems

Almost all (94%) of clients who agreed any actions with their adviser were able to report that at least some of their actions had been progressed (whether by them or their adviser).<sup>30</sup> Given the high proportion who agreed any actions, this is equivalent to 87% of all debt advice clients agreeing *and* having progressed action, which remains a high proportion, and 50% of all clients had had all actions progressed.

#### Any action progressed

We find that, overall, clients who were in arrears when they sought advice were more likely than those not in arrears to have had *any* actions progressed (88% compared with 82%). This is almost certainly because the clients who were in arrears were more likely to have agreed actions than those not in arrears (94% compared with 86%; as reported in [Chapter 2](#)).

Further analysis confirms that the type of arrears, if any, clients had was highly significant independently of other factors. Compared with not being in arrears, having arrears on non-priority debts alone doubled the likelihood that actions were progressed. Those who *also* had arrears on priority debts were two and a half times more likely to have had actions progressed.<sup>31</sup>

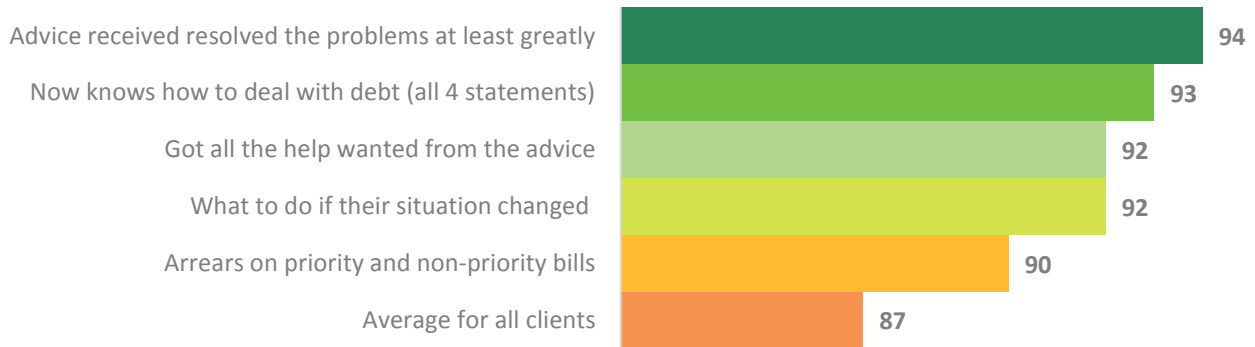
<sup>29</sup> Figures do not sum due to rounding.

<sup>30</sup> This exceeds Key Performance Indicator 2.2 under the [Money Advice Service's 2016/17 Business Plan](#) which sets out that *90% of people accessing our funded debt advice across the UK will take action to deal with their debts*, measured among those agreeing actions.

<sup>31</sup> Given by odds ratios of 1.9 and 2.6 respectively. Appendix Table A8.

**Important factors driving whether or not agreed actions were then progressed reflected clients' satisfaction with and empowerment by the advice itself.**

Other important factors driving whether or not any actions were progressed are shown in Figure 2, below. These appear to underline the role of satisfaction and empowerment, not only as outcomes in their own right, but as important objectives for enabling debt resolution itself.



**Figure 2: Percentage of clients for whom any actions were progressed, by highly significant factors**

Weighted %s. Base is all clients (n=1,822). Only highly significant measures (any category p<0.01 in regression analysis) are shown.

**Number of actions progressed**

Among those clients who reported agreeing any actions with their advisers (whether for them or their adviser to take), more than a half said that all of their agreed actions were progressed or completed (54%; Figure 3). This will by definition include those who agreed only one action.

A further 23% had had 'most' progressed and the remaining 16% 'some'. Only 6% had progressed none.

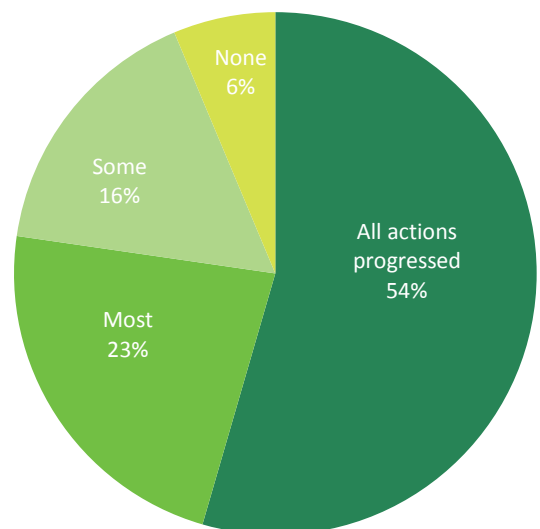
**All actions progressed**

Compared with the overall average of 54%, the likelihood of having progressed *all* actions among those agreeing any was particularly high among clients aged 18-25 (67%) and those agreeing informal actions (60%). Conversely, it was higher among those *not* agreeing formal actions (62%) than those agreeing them (47%); this is despite the earlier finding that those agreeing formal action were more likely to feel the advice resolved their problems.

Progressing *all actions* was also higher among clients who were not in arrears when seeking advice (63%) compared with those who were in arrears (53%). This is notable for being the opposite pattern from the one found above in relation to any action taken among all clients. This might reflect that those not in arrears were more motivated and able to progress actions, or that they agreed fewer or more straightforward actions to take. Further analysis confirms that those agreeing only one type of action were twice as likely as those agreeing two types to have progressed all agreed actions, all other things equal.<sup>32</sup>

**Agreeing formal action strongly reduced the likelihood that all actions were progressed. This might reflect the time it takes to put these solutions into action or for the client to come to terms with the action agreed.**

**Figure 3: Number of actions progressed**



Weighted %s, base is clients agreeing actions (n=1,685)

<sup>32</sup> Given by an odds ratio of 2.0. Table not shown.

In further analysis, by far the strongest independent influence on whether or not all the agreed actions were progressed was the types of actions clients did *not* agree with their advisers. In particular, not agreeing formal actions specifically was associated with a ten-fold increase in the likelihood that all reported actions were progressed (Table 4). They may have agreed informal actions, or none at all.

**Table 4 Factors which independently increase the likelihood that all actions were progressed**

| HIGHLY SIGNIFICANT PREDICTORS (P<0.01)                  | OTHER SIGNIFICANT PREDICTORS (P<0.05)              |
|---|--|
| Non-White British                                       | Aged 41-45   |
| Not agreeing formal, informal and/or other action       | Living a multi-adult household                     |
| Advice received resolved problems completely or greatly | Now understands the steps needed to sort out debts |

Base is all clients who agreed actions (n=1,680), weighted. Full results are shown in Appendix Table A9.

Reporting that the advice greatly or completely resolved the problems they asked for help with was also highly significant statistically. Those from a non-White British background were more likely than those who described themselves as White British to have had all their agreed actions progressed.

Importantly, progressing all actions was not well explained as a whole by the available characteristics.<sup>33</sup> Instead, other aspects of the clients or their circumstances not measured in the survey, or the effectiveness or efficiency of the *adviser* in progressing actions, could be important.

We recall, however, that 6% of clients who agreed actions had progressed none.

## 4.2. Managing money day to day

We have already considered (in Chapter 3) the extent to which clients felt knowledgeable about dealing with debt as a result of the advice they received from Money Advice Service-funded debt advice. Here, our focus is on improvements in aspects of individuals' day-to-day money management as a result of the advice. Managing money well day to day is one of three key domains of financially capable behaviours (see Appendix 9 for further consideration). Aspects of day-to-day money management were captured in the current survey across five statements:

- I am **checking my incomings and outgoings** more regularly and/or more thoroughly (to which 87% of all clients agreed);
- I have **cut back** on spending or saved money (83%);
- I now have a plan for paying my bills in a priority order (83%);
- I now plan ahead for **household bills and expenses** (83%); and
- I now keep to a **plan for spending** my money (82%).

### WHY MIGHT CLIENTS HAVE NO ACTIONS PROGRESSED?

Rather than being due to inadequate advice, the evidence tentatively suggests it is more likely to be because some clients have less serious debt problems or do not engage with the advice as well as others.

SEE APPENDIX 8 FOR MORE.

A total of 83% of clients agreed that they had cut back on spending or saved money in some way as a result of the advice. This includes 24% who had saved money by switching household fuel supplier specifically and 38% who had saved money in some other way. It also includes 72% who cut back on spending generally. This was higher among those in arrears (74%) than not (66%) when they sought advice. This might be expected, at least in part, because debt advice normally starts by completing an income and expenditure form (sometimes called a financial statement or a budget) to identify any non-essential spending and as a basis for negotiating with creditors.<sup>34</sup> This will be more important for clients already in arrears, who are more likely to need to negotiate with their creditors.

The proportions of debt advice clients agreeing that they now had improved their day-to-day money management was high on other measures too, particularly in relation to checking income and outgoings (87%). Moreover, 59% agreed that they now did all five of these money management behaviours as a result of the advice received. In fact, only 2% of clients reported no improvement on any of five measures of money management behaviours included. These findings are strongly indicative of the positive impacts of debt advice provision on financially capable behaviour, which in turn has the potential to help alleviate financial difficulty in the short term and prevent it in the longer term.

<sup>33</sup> In the main model (Appendix Table A9) only 8% of the variation among clients was explained.

<sup>34</sup> See <https://sfs.moneyadvice.org.uk/en/what-is-the-standard-financial-statement>.

*Six in ten clients agreed that they had improved their day-to-day money management in all five ways asked about in the survey as a result of the advice they had received.*

Overall, the percentage of clients now managing their money better across all five measures was particularly high among clients receiving advice on what to do if their situation changed, agreeing formal actions and other actions, and those saying they got all the help they wanted or that it resolved the problems completely or greatly. In turn, these factors, which relate to the nature of the advice clients received and their satisfaction with it, were highly significant drivers of managing money better as a result of advice (Table 5).

**Table 5 Factors which independently increase the likelihood of managing money better day to day**

| HIGHLY SIGNIFICANT PREDICTORS (P<0.01)                  | OTHER SIGNIFICANT PREDICTORS (P<0.05)                    |
|---|--|
| Receiving advice on what to do if situation changed     | Working part-time or being retired                       |
| Agreed formal, informal and/or other action             | Referral from another organisation as trigger for advice |
| Advice received resolved problems completely or greatly | Advised how to increase income                           |
|   | Got all the help wanted from the advice                  |

Base is all clients (n=1,822), weighted. Full results are shown in Appendix Table A10.

When additionally including our measures of knowledge and understanding, knowledge was independently related to managing money. Those now knowing how to deal with debt (on all four measures) were nearly three and a half times more likely to have improved their money management on all five measures.<sup>35</sup> This is interesting, given that knowledge for dealing with debt generally and money management behaviours are both aspects of financial capability. This might suggest that improved knowledge helps lead to improved behaviour, or that improvement on both measures is caused by other, underlying factors.

*It appears to be what people discuss and learn from advice which helps them improve their money management, rather than the debt resolution actions they may subsequently take.*

Notably, reporting that any (or all) agreed actions had been progressed was not a factor, over and above these other characteristics. This further suggests that it is what people discuss and learn from advice, rather than whether or not they progress debt resolution actions, which helps them improve their financially capable behaviour.

### 4.3. Chapter conclusions

This chapter has explored two key ways in which clients might take positive, behavioural steps as a result of the advice they received: progressing actions agreed (although some of these are for the adviser, rather than the client, to progress); and improving the way clients manage their money.

It was unusual for action not to have been taken and, for over a half of debt advice clients, progression had been made on all agreed actions. Clients' satisfaction with the advice they received was a critical factor in the progression of actions. Having more complex or severe debt problems also appeared to lead to the progression of **any action**, although the reverse was true for progressing **all actions**. That said, other factors not measured in the survey were most important for explaining whether, and the extent to which, actions agreed during debt advice were progressed. This could reflect the importance of the ongoing role of advisers or the underlying disposition and circumstances of clients.

There were similarly high levels of self-reported improvements in money management as a result of the advice. This has positive implications for the management of difficult financial situations in the short term and their prevention in the long term. Rather than taking action, it was the nature of and satisfaction with the advice clients received which predicted this, and new knowledge for dealing with debt was also related, possibly via common influences.

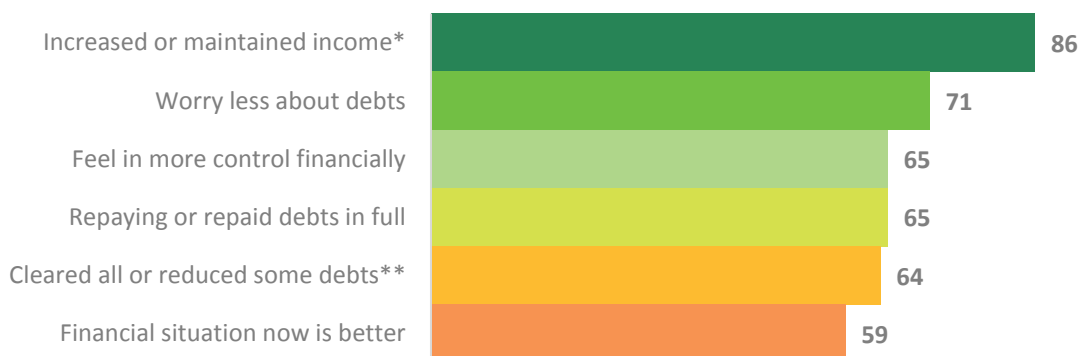
It is reasonable to expect that those who took action and are more financially capable were more likely to have good financial outcomes, and this is what we explore in the next chapter.

<sup>35</sup> Given by an odds ratio of 3.4.

## 5. Financial wellbeing

The focus in this chapter turns to the critical end goals of debt advice which include clients' financial wellbeing outcomes. Effective debt advice should, in time, resolve debt and help households achieve financial control. This might include the control clients perceive they have when dealing with their financial situation, their levels of worry or stress about their debts or financial difficulties, the extent to which they have increased their income and – for those with outstanding debts – reduced the amounts they owed. The chapter continues by considering how clients' overall subjective financial wellbeing had changed since they sought advice from a Money Advice Service-funded organisation and ends by exploring clients' experiences of debt advice outcomes from across the framework as a whole.

- Key findings: financial wellbeing
- 64% of those in arrears when they sought advice had **cleared all or reduced some** of their debts, including through debt write-off.
- 27% of debt advice clients who received income advice said that they had **increased their income** as a result, and 86% increased or maintained it. This is equivalent to 36% of clients overall who increased or maintained their incomes as a result of the advice.
- 31% of clients overall said that their **financial situation was much better** now compared with when they sought help, rising to 59% who said it was at least a little better.
- Being advised what to do to increase income, understanding the steps to sort out their debts and managing money better now, were highly predictive of whether or not clients felt their situations were much better.
- 71% of clients agreed that they now worry less about their debts or financial difficulties and 65% now felt more in control financially across four measures.
- While some outcomes from across the framework relate to – and possibly influence – each other, there is also diversity in clients' experiences of debt advice outcomes as a whole.



Weighted %, base is all clients (n=1,822);

\* base is clients advised on this (n=757);

\*\*base is clients in arrears who also gave a valid answer (n=1,278)

### 5.1. Financial control and worry about debt

Worry and stress is a common experience for people who are over-indebted, sometimes to the extent that they feel powerless to do anything about their financial situations.<sup>36</sup> A potential goal of debt advice, therefore, is to empower clients to take greater control of their finances and reduce their worry and stress wherever possible. Several outcomes measured in the survey reflect this.

#### Greater financial control

Around eight in ten clients reported greater financial control in relation to the following statements:

- I now feel more in **control** of financial situation (83% agreed);
- I am more likely to **open my post** now (81%);
- I now feel **comfortable** in how I go about dealing with my financial situation (81%); and
- I now feel more **confident** about dealing with the people I owe money to (79%).

Only the second of these – being more likely to open post now – differed depending on whether or not clients were in arrears when they sought advice. This was higher among those in arrears (83%) than those not in arrears (74%).

<sup>36</sup> See, for example, Collard et al. (2012).

Overall, two-thirds (65%) of clients reported greater financial control in all four ways. Independently of other characteristics, the measure of managing money better now (introduced in Chapter 4) was important for predicting greater financial control. The effect of now knowing how to deal with debt was also strong (Table 6). This highlights the role for improved financial capability as a result of debt advice, regardless of other outcomes.

**Improved financial capability as a result of debt advice promotes a sense of financial control.**

Other outcomes which influenced feeling in control strongly (highly significantly) were receiving advice on how to increase income and measures of satisfaction with the advice received. Receiving advice on what to do if the situation changed was also significant, albeit less strongly. These underline the importance of the content of the advice clients received. *Not* having a mental health diagnosis was also an important factor influencing financial control, independent of other factors. This might indicate that clients with mental health problems could benefit either from debt advice which better reflected their particular situations or other forms of support not currently captured by onward referrals (as this was also controlled in the analysis; Table 6).

**Table 6 Factors which independently increase the likelihood of reporting greater financial control**

| HIGHLY SIGNIFICANT PREDICTORS (P<0.01)         | OTHER SIGNIFICANT PREDICTORS (P<0.05)                     |
|--|---|
| Advised how to increase income                 | Aged 18 to 25 or 66 and over                              |
| Got all the help wanted from the advice        | Living in a home rented from a private or social landlord |
| Advice resolved problems completely or greatly | Advised what to do if their situation changed             |
| Now knows how to deal with debt                |   |
| Now managing money better                      |   |
| Not reporting having a mental health diagnosis |   |

Base is all clients (n=1,822), weighted. Full result are shown in Appendix Table A11.

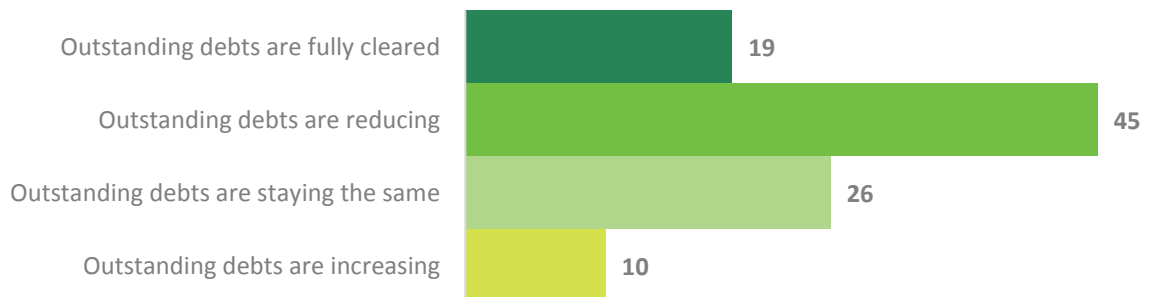
**Worry and stress**

Seven in ten clients overall agreed that they now **worry less** about their debts or financial difficulties (71%; Table not shown). A similar proportion said that they were **less stressed** (72%). It is often the same clients who report positive outcomes across these two subjective measures: they are highly correlated outcomes of debt advice. They are both also highly correlated with feelings of greater financial control.<sup>37</sup>

**5.2. Reducing debt and increasing income**

A clear objective of debt advice is to reduce clients’ debt burden. For some, maintaining or increasing their income will also be an important outcome.

**Figure 4 Current status of debt repayments**



Weighted %, base is clients in arrears when sought advice, excluding those who did not answer the question (n=1,278).

<sup>37</sup> Table not shown. In pairwise correlations using Spearman’s Rho, these three measures are all highly significantly correlated statistically (p<0.01) and have a correlation coefficient of 0.5 or above.



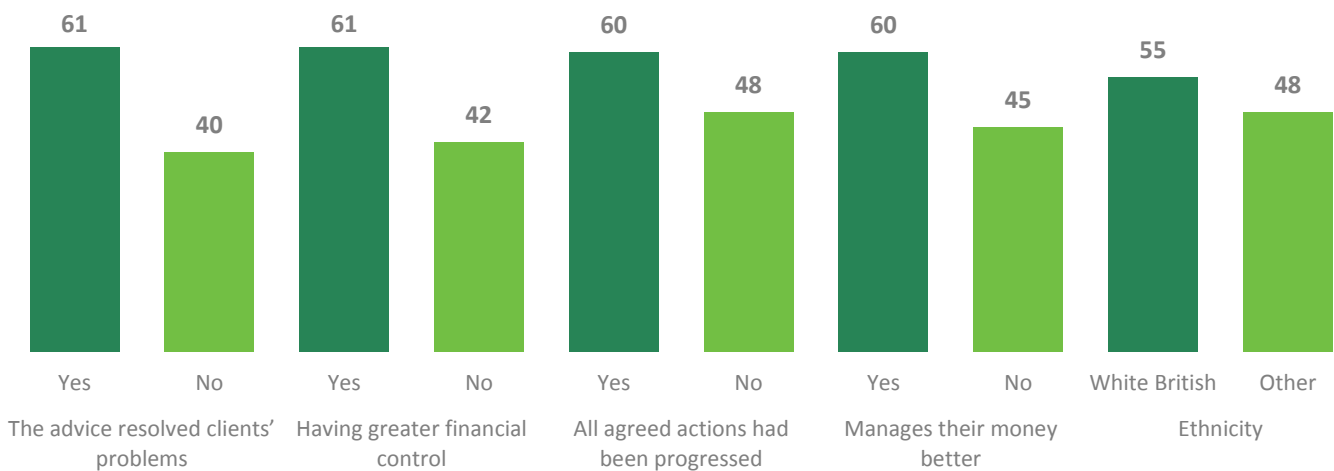
## Reducing and clearing debts

Clients who were in arrears when they sought advice,<sup>38</sup> were asked in the survey about repayments of their debts and the overall situation of their debts now. Nearly half (45%) said their debts were reducing, and a further 19% said their debts were cleared entirely (Figure 4). These include those who said they were cleared either as a result of paying them off themselves (7%) or from debt write off (12%; Table not shown).

Almost two thirds of clients in arrears had reduced or cleared their debts entirely since receiving advice

Among all of those who had been in arrears, the likelihood of someone having **reduced or cleared their debts** varied substantially when analysed by several characteristics of the client and their debts and many of the other outcomes discussed so far in this report. Notably, however, these factors were not independently important for reducing and clearing debts. In fact, very few characteristics were highly significant in predicting that a client's debts were cleared or reducing (Figure 5), only:

- That the advice resolved clients' problems completely or to a great extent; and
- Having greater financial control as a result of the advice.



**Figure 5 Percentage of clients who had reduced or cleared their debts, by key characteristics**

Weighted %, base is clients in arrears when they sought advice (n=1,518). Only significant characteristics (p<0.05) are shown.

Other significant, albeit weaker, factors were: all agreed actions had been progressed; managing money better as a result of the advice; and being White British (Figure 4). Clients' other personal and household characteristics were not important.

### Clients whose debts have not reduced

Among the remaining one in three clients whose debts had not reduced or cleared (36%; Table 7), it is possible that some did not need to achieve debt reduction as an objective of debt advice. This might be the case, for example, if a client could instead benefit from support to achieve a position in which their ongoing debt repayments became manageable through income maximisation. We cannot explore this hypothesis directly using the data available from the survey.

Nonetheless, we should expect to see that the factors which predict that a client's debts had not reduced are the same as those which predicted clients whose debts had reduced or cleared, albeit with reverse effects. Additional analysis finds that this is the case. Moreover, when the relative importance of different characteristics is considered, reporting that the advice had not resolved their problems was both highly significant statistically, and the most important influence statistically.<sup>39</sup> This was followed, in order of strength, by not feeling more in control now as a result of the advice, not agreeing informal actions and not having progressed all actions agreed, all of which were also highly significant. Other, more moderately, significant factors included not reporting an improvement in money management and not agreeing other actions.

These findings tend to indicate that the particular help needed to reduce debts was missing or inadequate for at least some of these clients; how clients experienced and perceived the advice they received and the extent to which they subsequently acted on and benefitted from that advice is related (if not directly important) to whether or not their debts reduced. This analysis also confirms that non-White British clients were less likely to have reduced their debts, all other things equal, although the effect was not strongly

<sup>38</sup> And those who gave a decisive answer (so excluding those who said they did not know or that the question did not apply to them).

<sup>39</sup> This analysis used an alternative form of regression analysis, forward stepwise logistic regression, which identifies each successive significant factor, in order of strength. Table is not shown.

significant. And we additionally find that those with priority debts only were significantly more likely to have reduced their debts (possibly because the options for debt reduction for these clients were clearer) although this effect was also not strong.

Additionally, and represented among this group of clients whose debts had not reduced, outstanding debts had increased for 10% of all clients (Figure 4).

### Maintaining or increasing income

A subsidiary outcome of debt advice, and a priority for some clients, might be to increase, or at least maintain, their income. We saw earlier that 18% of clients recalled being advised how to increase their income (Chapter 2). A total of 42% were advised how to increase or maintain their income.

*The vast majority of clients receiving advice on how to maintain or increase their incomes had managed to do so.*

Among those receiving any advice about their incomes, 27% had increased their incomes, and 86% said they had maintained or increased their income. This is equivalent to 36% of all debt advice clients maintaining or increasing their income following the advice they received from Money Advice Service-funded providers.

### 5.3. Subjective financial wellbeing

For the majority of clients (59%), their subjective overall financial situation was better now compared with when they sought advice from a Money Advice Service-funded provider.

Only 10% of all clients said their financial situation was worse, whether a little or a lot. It might be expected that clients who were not satisfied with the advice they received were more likely to describe their situation as worse. Analysis confirms that this was the case, and an important factor independently of everything else. Not having improved their money management and being unemployed were also highly significant predictors.

When satisfaction was not taken into account, not being advised what to do if their situation changed was important. However, the likelihood that a client felt their situation was worse did not reflect actions agreed or progressed nor improved knowledge or understanding, independently of other factors. This suggests that it is more what people do day to day as a result of the advice they receive – and their day-to-day circumstances – which influences how they *feel* about their financial situations.

#### WHAT MIGHT EXPLAIN WHY DEBTS INCREASED FOR SOME CLIENTS?

The evidence suggests that the advice some clients received, while equivalent to other clients, had not met their particular needs.

SEE APPENDIX 10 FOR MORE INFORMATION.

### Overall financial situation is much better

Returning to clients who did feel their situations were better since receiving the advice, over a half of these (31% of the 59%) said it was *much* better. This was strongly predicted by other subjective measures of feeling that the advice resolved their problems and less stressed now. Reporting that their debts had now been cleared or reduced was also highly significant. This may reflect that decreasing debts and subjective financial situations are different aspects of the same dimension, of financial wellbeing after debt advice. When we remove these factors from our analysis, highly significant factors which related independently to clients reporting their financial situation to be much better were:

- Now managing money better;
- Being advised how to increase their income;<sup>40</sup>
- Now understands the steps needed to sort out their debts;
- Working full time or not working due to sickness or disability; and
- Being aged 26 to 30.

<sup>40</sup> Managing money better now and being advised what to do to increase their income were highly significant factors even in the presence of the measures just discussed.

For example, those managing their money better now on all five measures were more than twice as likely as those who were not to report that their situation was much better (Table 7).

***Subjective wellbeing is influenced strongly by the content of the advice received and the new knowledge and money management behaviours clients take away from it.***

Altogether, these findings point more strongly to the role – in subjective wellbeing – of the nature of the advice received and the financial capability learning clients took away from the advice; rather than the nature of clients’ debts and what triggered them to seek advice or any formal or informal debt resolutions agreed and progressed.

**Table 7: Clients reporting a much better financial situation overall**

|   | %         |   | %         |
|---|-----------|---|-----------|
| <b>Now manages money better (all five measures)</b> |           | <b>Advised how to increase their income</b>               |           |
| No  | 18        | No  | 28        |
| Yes   | 41        | Yes   | 45        |
| <b>Age group</b>                                    |           | <b>Now understands the steps needed to sort out debts</b> |           |
| 18 to 25  | 35        | No  | 21        |
| 26 to 30  | 38        | Yes   | 36        |
| 31 to 35  | 31        | <b>Working status</b>                                     |           |
| 36 to 40  | 33        | Working full time   | 35        |
| 41 to 45  | 27        | Working part time   | 32        |
| 46 to 50  | 26        | Retired   | 39        |
| 51 to 55  | 30        | Looking after the home                                    | 30        |
| 56 to 60  | 24        | Permanently sick or disabled                              | 34        |
| 61 to 65  | 38        | Unemployed  | 23        |
| 66 and over   | 38        |   |           |
| <b>Average for all clients</b>                      | <b>31</b> | <b>Average for all clients</b>                            | <b>31</b> |

Weighted %s. Base is all clients (n=1,822). Only highly statistically significant measures (any category p<0.01 in regression analysis) are shown (see Appendix Table A12).

## 5.4. Diversity of client experiences of debt advice outcomes

We have already noted that some of the outcome measures reported here are correlated quite highly with each other: if a client reports a positive outcome on one, they are highly likely to report a positive outcome on another. We saw this, for example, in relation to clients who said they got all the information and advice they wanted and that the advice resolved their problems completely or to a great extent (Chapter 2). There are also high correlations between some of the subjective measures covered in this chapter,<sup>41</sup> notably between feeling more in control financially, worrying less and being less stressed about their debts or financial difficulties. We see that around seven to eight in ten clients typically have positive outcomes across the measures.

As such, there is also some correspondence across particular, conceptually-related measures in relation to the clients who did not achieve positive outcomes. Here, we tend to see that around two to three in every ten clients instead experience more negative outcomes. A particular question which arises from this is whether or not these are the same clients each time.

When we look across the outcome measures drawn from different chapters, and therefore outcomes which reflect rather different aspects of the Debt Advice Outcomes Framework, we do not tend to find high correlations between measures.<sup>42</sup> In other words, there is not a great deal of overlap between the clients reporting negative outcomes on each. Taking, for example, a selection of measures to be representative of outcomes from across the framework, this might include:

- Reporting that the advice did not resolve clients’ problems, greatly or completely (from Chapter 2);
- Reporting that they do not now understand very well the steps needed to deal with their debts (Chapter 3);

<sup>41</sup> A high correlation is defined here as being both highly statistically significant (p<0.01) with a correlation coefficient of 0.5 or above in Spearman’s Rho. A correlation of 0.5 indicates that 25% of the variance on one measure is shared with the other.

<sup>42</sup> Where a large correlation might be 0.70 or higher, and a moderate correlation at least 0.50.

- Reporting that no actions had been taken (Chapter 4);
- Not feeling more in control financially as a result of the advice (Chapter 5);
- Not having reduced or cleared debts as a result of the advice (Chapter 5);
- Not feeling that their overall financial situation is much better (Chapter 5).

Across the measures, it was most common for clients to report only one of these outcomes negatively (25%), and nearly a half reported only one or two (47%). Moreover, only 14% experienced positive outcomes across all six measures. In other words, just because a client does not achieve one type of outcome, it does not mean that they will not experience another, but they are unlikely to experience them all.

This makes the analysis throughout this report, which identifies the role of one outcome in apparently influencing another outcome when other factors are held constant is, all the more powerful. This is because different outcomes are still discriminating of different clients and their experiences. Therefore, while there are pathways evidenced throughout the analysis which suggest complementary and potentially cumulative positive outcomes, there are nonetheless diverse patterns of experiences of debt advice outcomes. Furthermore, based on the outcomes selected above, only a very small minority (2%) of clients experienced positive outcomes on none, indicating that most clients will either benefit from or be satisfied with the debt advice they received to some extent.

### 5.5. Chapter conclusions

We have found that a majority of debt advice clients felt in more control financially, were less worried and stressed about their debts, had reduced (or cleared) their debts and felt better about their overall financial situation now, following the advice they received. A majority of those advised how to maintain or increase their incomes had managed to do so. Moreover, most clients experience one or more positive outcomes from across the range of outcomes considered, and it is rare for clients to experience none. That said, there is an apparent diversity of experience of debt advice outcomes and it is unusual for clients to report experiencing them all.

It is not necessarily the case that all outcomes are appropriate for all clients: a client may not need to achieve all outcomes for debt advice to have been successful. For example, for some of those whose debts had not reduced, this might not have been necessary if the client was better served by income maximisation advice to help them manage their current level of debts. However, for the minority whose debts had increased since they sought advice, this could indicate that debt advice does not or cannot always meet the specific needs of some clients. The current findings suggest this could be due to the nature of their debts or the nature and volatility of their situations. There might, therefore, be scope to explore these clients in more detail to understand the factors underpinning this and what additional help they might need.

Nonetheless, these results are, overall, indicative of positive effects of advice. Certainly, aspects of the advice received and clients' satisfaction with the advice they received predicted financial wellbeing outcomes strongly on the whole. And other outcomes of debt advice, such as better money management, knowledge for dealing with debt and understanding the steps needed to sort out their debts also played a role. This suggests that what clients take away from their advice in terms of improved financial capability is also important for their financial wellbeing.

# Appendices

## Appendix 1 Debt advice outcomes from the Money Advice Service evaluation framework<sup>43</sup>

| OUTCOMES   | MEASURES   |
|--|--|
| 1. The client got the advice or information they wanted  | Whether the advice or information received resolved the problems they asked for advice about   |
| 2. The client is aware of the possible different ways of dealing with their debt problem                                 | Agreement – know more about different options<br>Agreement – know more about fees for debt solutions   |
| 3. The client better understands that debtors and creditors have rights and obligations and has some idea what these are | Agreement – know more about the steps to take if they can't pay the people they owe money to   |
| 4. The client has a clear idea about the steps required to sort out their debt problems                                  | Agreement – know more about the steps creditors can take to recover money owed to them<br>How well they understood the steps they needed to take to sort out their debts or financial difficulties |
| 5. The client takes the steps they should to sort out their debt problems  | Actions agreed following advice<br>Actions taken following advice  |
| 6. If a referral is made the client follows it up and receives help from another organisation                            | Whether referred to another organisation for help  |
| 7. The client increases their household income   | Whether advice explained how to increase income<br>Whether income was increased / maintained as a result   |
| 8. The client is able to plan how they use their money and sticks to the plan  | Agreement – keep to a plan for spending money<br>Agreement – plan ahead for household bills and expenses   |
| 9. The client reduces their outgoing   | Whether cut back on spending or saved money as a result of the advice  |
| 10. The client pays priority bills first   | Agreement – have a plan to pay bills in priority order   |
| 11. The client's financial situation is brought under control  | Whether financial situation is better since receiving advice<br>Agreement – feel more in control of financial situation  |
| 12. The client knows to review their situation if their circumstances change   | Whether advice told them what to do if situation changes   |
| 13. The client's outstanding debt is reducing  | Whether amount owed has increased / decreased  |
| 14. The client has appropriate contact with his/her creditors  | Agreement – more likely to open post now<br>Agreement – more confident in dealing with creditors   |
| 15. The client's wellbeing improves  | Agreement – worry less about debts/financial difficulties<br>Agreement – less stressed about financial difficulties<br>Agreement – comfortable in dealing with finances                            |

<sup>43</sup> See <https://www.moneyadvice.service.org.uk/en/corporate/debt-advice-evaluation-toolkit>

## Appendix 2: Do clients with mental health conditions have poorer debt advice outcomes?

A half (50%) of debt advice clients said that they have a diagnosis for a mental health condition. Research has shown that people with mental health problems are nearly three times more likely to be in arrears,<sup>44</sup> and that this can arise through factors such as income loss, higher spending and poor financial management.<sup>45</sup> Our interest here is in the extent to which debt advice outcomes vary by self-reported mental health problems, as a whole.

First, someone with a mental health diagnosis was *more likely* to have arrears on both priority and non-priority debts when they sought advice, have sought advice in the past, and cite the causes of debt as a trigger for seeking advice. This suggests a greater depth of problem debt and delays or difficulty finding the right help for it. Those with mental health conditions were also more likely to recall receiving advice on how to increase their income and to have agreed certain types of actions. This could also reflect more complex debt profiles and circumstances.

Conversely, people with mental health conditions were rather *less likely* as a result of the advice to understand very well the steps they need to take to resolve their debts, worry less about their financial situations, feel more in control financially, or feel that their financial situation was better. They were also less likely to have increased or maintained their income (despite being more likely to receive advice to increase it), and more likely to have had accrued more debts. Notably, they were no more or less likely to feel satisfied with the advice, to have had actions progressed or improved their money management. Full results are shown in Appendix Table A7.

In summary, clients with mental health diagnoses experience poorer financial wellbeing outcomes following debt advice, but this is not apparently due to poorer advice received or experiences of it. Indeed, those with mental health conditions were more likely to receive certain types of advice and were as likely to progress actions. Poorer subsequent outcomes might therefore relate more to a greater depth and complexity of debt and other problems, and therefore greater or more tailored advice to meet their particular needs.

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<sup>44</sup> Fitch et al. (2007)

<sup>45</sup> Holkar (2017)

### Appendix 3 How does a client's ethnicity influence their debt advice outcomes?

Clients' debt advice outcomes differed significantly by their broad ethnic group on several measures. Where this was the case, it was normally clients from White British backgrounds who reported better outcomes. However, the demographic profile of clients, and the organisation they sought advice from, also varied by ethnicity. When these are held equal, ethnic group remains a highly significant factor in determining some outcomes, but not others. In particular, **White British** clients were:

- 70% more likely than their non-White British counterparts to have agreed formal actions; and
- Twice as likely to report now knowing more about how to deal with debt (all four measures).

Meanwhile, **non-White British** clients were:

- 50% more likely to have had all actions progressed; and
- Twice as likely that their debts had increased since seeking advice.<sup>46</sup>

Conversely, a client's broad ethnicity, as defined here, did not independently influence clients' satisfaction with the advice, their understanding of the steps to take, improved money management or perceived financial control or subjective wellbeing ([Chapter 5](#)).

This indicates that, while debt advice outcomes do differ by ethnicity, this is not normally because of ethnicity directly. Instead it is due largely to differences between broad ethnic groups, whether in relation to their demographic profile or the debt situations they bring to debt advice. However, where ethnicity is a factor, this indicates that debt advice had not, in every respect, been equivalent or met the specific needs presented by clients. To this end, greater understanding of the different needs of minority ethnic groups from debt advice could help improve outcomes for these groups.

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<sup>46</sup> Likelihood here is given by odds ratios (of 1.7, 2.0, 1.5 and 2.2 respectively).

## Appendix 4: Why might some clients not agree any actions?

Some 93% of clients recalled agreeing one or more actions with their adviser. However, a minority (7%) of clients said they had not agreed any actions to take with their adviser. These are a potential group of interest and we have explored the factors which might explain this outcome.

The proportion of clients who did not agree any actions did not vary by clients' personal and household characteristics. However, it did vary from 4% of clients who were in arrears with priority and non-priority debts to 14% of those with no arrears when they sought advice. It was also more likely among those *not* advised what to do if their situation changed (16%) or how to maximise their income (8%) and those receiving one session only (12%). The most important independent factors driving this were not being behind in arrears when seeking advice and not receiving advice about what to do if their situation changed. This might indicate that the situations of these clients did not warrant actions; or indeed that debt advice was not appropriate for them. Some may even have had unrealistic expectations of debt advice, although we cannot test for this using the data available.

Additionally, these clients were much less likely than other clients to report getting all the information and advice they wanted and to say that the advice resolved their problems. Only 37% of this small group of clients reported getting all the information and advice they wanted. This compares with an average of 72% who said they got what they wanted. Additionally, only 28% of clients who did not agree any actions felt the advice resolved their problems completely or to a great extent; this compares with the average of 67% among *all* clients. This would tend to support the hypothesis that either the advice these clients received was inadequate for their needs, or that it was not entirely appropriate for them. However, we cannot test this fully.



## Appendix 5: How do outcomes vary depending on the types of actions agreed?

Agreeing formal action was associated with the most consistent positive debt advice outcomes across the outcomes considered. The percentage of clients with positive outcomes was significantly higher for this group on all except progressing all actions and reducing or clearing debts. In contrast, agreeing informal action increased the chances of these two particular outcomes and any actions progressed, but not other outcomes. Other action was related to several positive outcomes, most notably improved money management and maintaining or increasing income.

Selected outcomes are given in the table below: e.g. 80% of clients agreeing formal action got all the help they wanted and bold indicates that this was significantly higher for these clients than those *not* agreeing formal action.

| % REPORTING THIS OUTCOME                            | FORMAL | INFORMAL | OTHER |
|---|--------|----------|-------|
| Got all the help wanted from the advice             | 80     | 71       | 73    |
| Now knows how to deal with debt (all four measures) | 76     | 58       | 68    |
| All actions progressed                              | 47     | 60       | 49    |
| Now manages money better (all five measures)        | 66     | 57       | 68    |
| Income maintained/increased                         | 42     | 34       | 47    |
| Debts reduced or cleared (among those in arrears)   | 52     | 60       | 58    |

Weighted %s. Base is all clients (n=1,822), except where noted. Appendix Table A13 for full results.

Across this report we have found that, independently of other factors, agreeing formal and informal debt resolution action influenced only:

- Feeling that the advice resolved the clients' problems;
- Improved knowledge and understanding for dealing with debt; and
- Improved money management behaviours.

Agreeing other action only influenced money management.

Meanwhile, *not* agreeing actions increased the chances that all clients agreed actions had been progressed. This is intuitive, as it implies that fewer actions to progress were agreed.

Moreover, the types of actions clients agreed did not directly influence their financial wellbeing outcomes of any kind once clients' other debt advice outcomes were taken into account. However, that is not to say that they do not exert an influence, just that their influence may be indirect, and mediated by other important outcomes, via the influence of actions agreed on knowledge and money management, for example.

The particular finding that formal actions were less likely to be followed up (progressed) suggests that we need to understand more about the barriers to progressing these actions and how they can be overcome.

## Appendix 6: Why might some clients feel that the advice does not resolve their problems?

A minority (14%) of Money Advice Service-funded debt advice clients said that the advice did not resolve their problems. In further analysis, important independent influences of reporting this included:

- Receiving only one advice session;
- Not being advised what to do if their situation changed; and
- Not agreeing formal or informal debt resolution actions.

Together, these factors, which tend to suggest that advice was limited in its breadth or depth, might indicate that the advice was not adequate, or that the client did not engage fully with it.

Additionally, living in a home owned outright or in some alternative arrangement was also highly significant in the analysis. And having arrears on priority *and* non-priority debts played a role, albeit more weakly.

Based on these additional factors, it could be that some clients do not benefit well from debt advice *because* of their particular circumstances. For example, a single session might not be enough to help those with complex debts (indicated by having priority *and* non-priority debts) who might also feel overwhelmed by their situations to engage fully with advice at first. For those who own their homes, equity in the home are likely to be exposed if they opt for bankruptcy or an IVA; in this instance, clients may be wary of these options and therefore feel that advice which included this was not appropriate for them and therefore, not helpful.

As such, it is likely that the interaction between clients' debt and personal circumstances, and their feelings about these and the options available to them leads them to feel that the initial advice they received did not help them to resolve their problems. In other words, there could be many reasons, but we cannot, from the data, identify whether they are due to the inadequacy of advice or the difficulty some clients may experience in engaging with it; it is likely that they reflect a mixture of both. It is also possible that some of these clients might not have been ready to engage with the types of advice and solutions available, or perhaps needed to rule out other solutions first. Some of these might even return to debt advice at a later stage. Again, however, we cannot test this using the data available.

## Appendix 7: What drives feeling both that the advice resolved clients' problems and helped them understand how to deal with their debts?

Just over a half of all debt advice clients (53%) reported both that the advice had resolved the problems they had sought advice about (completely or to a great extent) *and* that they now understood very well how to deal with their debts. Together, these two measures provide a clear indication of some of the fundamental outcomes of debt advice.

Additional analysis was undertaken to explore the factors which drive this combination of outcomes. Highly significant influences were:

- Being advised what to do if your situation changes;
- Being advised how to maximise your income; and
- Agreeing formal or informal actions.

Together, these factors appear to underline the importance of the content of debt advice. Certainly, they point towards the role of the more practical aspects of the debt advice available and offered to clients.

Having degree-level qualifications was also important and *not* having mental health problems was significant. These suggest that clients' capacity to understand the advice they receive is also a factor. These characteristics might indicate that advice provision might do more to help those likely to have a poorer understanding or ability to engage with the advice.

## Appendix 8: Why might some clients not have had any of their agreed actions progressed?

A small minority (6%) of clients who agreed actions with the adviser, reported that none of them had been progressed. These include actions agreed for the client to progress, but also those that the adviser might need to progress on the client's behalf.

Additional analysis has explored, using the survey data available, what might help explain this. Highly significant influences which drive actions not being progressed independently of other factors were:

- Agreeing only *one* type of action to take;
- Not being advised what to do if their situation changed; and
- Not feeling that the advice resolved their problems.

These factors might indicate that the advice was not adequate in enabling these clients to progress agreed actions. However, other significant factors included:

- Receiving advice in some way other than face to face or by phone;
- Recalling last contact with the adviser more than six months ago; and
- Not knowing how to deal with debt as a result of the advice.

Furthermore, factors not measured by the survey explained a very large share of variation. Therefore, the findings, when taken together, might point (tentatively) instead to the possibility that this small group included clients whose debt problems were less serious (in ways not directly captured by the survey) or that they had not engaged as fully or directly with the advice as others.

## Appendix 9: Does debt advice improve financial capability?

The Money Advice Service has statutory responsibility for improving financial capability in the UK. In its 2015 Financial Capability Strategy for the UK, it established a working definition of financially capable behaviours, across three key domains: managing money well day to day; preparing for and managing life events, and dealing with financial difficulties. In turn, these behaviours are informed by enablers and inhibitors (underlying knowledge, skills and financial orientations of individuals) and shaped by wider factors such as the economy and public policy.<sup>47</sup>

The analysis reported here has captured two aspects of financial capability: clients' new **knowledge** about how to deal with debt; and clients' new day-to-day money management **behaviours**. Self-reported improvements in financial capability as a result of Money Advice Service-funded debt advice was high across both aspects.

- 63% of all clients had new **knowledge of how to deal with financial difficulties** across all four measures:
  - 87% said they now know more about the steps to take if they are not able to pay the people they owe;
  - 86% agreed that they now know more about the different options for sorting out debt problems;
  - 82% said they now know more about the steps the people owed money to can take to recover it; and
  - 72% agreed that they now know more about the **fees that are charged for debt solutions**.
- 59% had new **money management behaviours** across all five measures:
  - 87% agreed that they now check their incomings and outgoings more regularly and/or more thoroughly;
  - 83% agreed that they have cut back on spending or saved money;
  - 83% agreed that they now have a plan for paying their bills in a priority order;
  - 83% agreed that they now plan ahead for household bills and expenses; and
  - 82% agreed that they now keep to a plan for spending their money.

Key factors which independently predicted improved financial capability on these measures related to aspects of the advice clients received. In particular, advice about what to do if the client's situation changed and agreeing formal or informal actions with the adviser were important for both knowledge for dealing with debt and money management behaviour. The progression of agreed actions did not influence these outcomes substantially. This suggests that new learning is derived from the advice itself, rather than what clients (or advisers) do next.

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<sup>47</sup> Money Advice Service (2015)

## Appendix 10: What might explain why debts had increased for 1 in 10 clients originally in arrears?

For 10% of clients who were in arrears when they sought advice, their debts had since increased. Although this was reported by only a minority of clients overall, they are likely to be of interest and potential concern to any debt advice organisation. Additional analysis of the survey data has sought to explore who these clients were and what may have driven this outcome.

Starting with clients' personal characteristics, being from a non-White British background and working part-time were highly significant and moderately significant factors respectively. These were influential independently of clients' other socio-demographic characteristics, the nature of the debt they had when they sought debt advice and triggers for advice-seeking, and the nature and their experience of the debt advice they received.

Other advice outcomes were also influential. Reporting not having greater control financially as a result of the advice received was a highly significant factor for predicting increased debts. Reporting that the advice did not resolve the client's problems was also significant.

The combination of these factors might indicate that the advice some clients received, though seemingly equivalent to others, did not meet their specific needs.

This is supported by the additional finding that having arrears on priority *and* non-priority debt was highly significant, and reporting having a mental health condition was significant, when the nature and outcomes of advice were not controlled. In other words, when the advice someone received is not taken into account, clients with more complex debt problems and potentially more complex advice needs are more likely to see their debts increase later on. The reach of debt advice in these situations appears to be more limited.

Therefore, a client's ethnicity, working status, mental health status and the nature and complexity of their debts might be indicators that more tailored advice is needed. Early feedback that a client did not feel the advice resolved their problems or that they are not increasing their sense of financial control early in the process might also flag those in need of further intervention.

## Appendix 11: Additional Tables

**Table A1 Personal and household characteristics of clients, by whether or not the client was in arrears when they sought advice**

| COLUMN PERCENTAGES (%)                                       | NOT IN ARREARS | IN ARREARS | ALL CLIENTS |
|--|----------------|------------|-------------|
| <b>GENDER</b>  |                |            |             |
| Male   | 49             | 43         | 44          |
| Female   | 51             | 57         | 56          |
| <b>AGE GROUP*</b>  |                |            |             |
| 18 to 25   | 12             | 9          | 10          |
| 26 to 30   | 14             | 11         | 12          |
| 31 to 35   | 11             | 12         | 12          |
| 36 to 40   | 13             | 11         | 12          |
| 41 to 45   | 9              | 13         | 13          |
| 46 to 50   | 13             | 13         | 13          |
| 51 to 55   | 7              | 12         | 11          |
| 56 to 60   | 8              | 8          | 8           |
| 61 to 65   | 5              | 5          | 5           |
| 66 and over  | 8              | 5          | 6           |
| Not answered   | 0              | <1         | <1          |
| <b>ETHNICITY</b>   |                |            |             |
| White British  | 80             | 80         | 80          |
| Non-White British  | 17             | 18         | 18          |
| Not answered   | 2              | 2          | 2           |
| <b>REPORTS HAVING A MENTAL HEALTH CONDITION DIAGNOSED***</b> |                |            |             |
| No   | 50             | 39         | 41          |
| Yes  | 50             | 61         | 59          |
| <b>HIGHEST LEVEL OF EDUCATION ACHIEVED*</b>                  |                |            |             |
| Degree or equivalent or higher                               | 21             | 16         | 17          |
| Below degree level   | 57             | 53         | 54          |
| Other (spontaneous only)                                     | 1              | 1          | 1           |
| No qualifications  | 18             | 28         | 26          |
| Not answered   | 3              | 2          | 2           |

*Continues over*

| COLUMN PERCENTAGES (%)                       | NOT IN ARREARS | IN ARREARS   | ALL CLIENTS  |
|--|----------------|--------------|--------------|
| <b>WORKING STATUS (HIERARCHICAL)*</b>        |                |              |              |
| Working full-time                            | 25             | 17           | 18           |
| Working part-time                            | 16             | 19           | 18           |
| Retired                                      | 10             | 7            | 7            |
| In education or full-time training           | 3              | 2            | 3            |
| Looking after the home                       | 8              | 10           | 10           |
| Permanently sick or disabled                 | 13             | 18           | 17           |
| Unemployed                                   | 21             | 23           | 22           |
| Not answered                                 | 3              | 5            | 5            |
| <b>HOUSEHOLD COMPOSITION*</b>                |                |              |              |
| Lone adult                                   | 29             | 33           | 32           |
| Couple                                       | 15             | 9            | 10           |
| Lone adult with children                     | 13             | 18           | 17           |
| Two or more adults with children             | 22             | 20           | 20           |
| Multi-adult household                        | 19             | 19           | 19           |
| Not answered                                 | 2              | 2            | 2            |
| <b>HOUSING TENURE***</b>                     |                |              |              |
| Owns outright                                | 7              | 3            | 4            |
| Owns with a mortgage (inc. shared ownership) | 20             | 9            | 11           |
| Rents from a private landlord                | 27             | 26           | 26           |
| Rents from a social landlord                 | 37             | 54           | 51           |
| Some other arrangement                       | 8              | 7            | 7            |
| Not answered                                 | 2              | 1            | 2            |
| <b>Unweighted base</b>                       | <b>304</b>     | <b>1,518</b> | <b>1,822</b> |

Data are weighted to be representative by gender, age and organisation. Due to rounding, percentages may not appear to sum to 100.

\* p<0.05

\*\*p<0.01

\*\*\*p<0.001: significant variation in chi square test.



**Appendix Table A2: Characteristics of the advice seeking and the advice experience, by whether or not the client was in arrears when they sought advice**

| COLUMN PERCENTAGES (%) (CELL% WHERE MULTIPLE OPTIONS WERE ALLOWED)                            | NOT IN ARREARS | IN ARREARS | ALL CLIENTS |
|---|----------------|------------|-------------|
| <b>TYPES OF DEBTS IN ARREARS WITH WHEN SOUGHT ADVICE*** (0 AND 100% VALUES BY DEFINITION)</b> |                |            |             |
| Both priority and non-priority debts  | 0              | 39         | 32          |
| Priority debts only   | 0              | 29         | 24          |
| Non-priority debts only   | 0              | 29         | 24          |
| None  | 100            | 3          | 19          |
| <b>ADVICE TRIGGERS (MULTIPLE OPTIONS ALLOWED)</b>   |                |            |             |
| Consequences of debt***   | 24             | 42         | 39          |
| Causes of debt***   | 53             | 39         | 42          |
| Referral  | 11             | 15         | 14          |
| Just needed advice*   | 18             | 12         | 13          |
| <b>HAS SOUGHT ADVICE IN THE PAST*</b>   |                |            |             |
| No  | 64             | 58         | 59          |
| Yes   | 36             | 42         | 41          |
| <b>LEAD ORGANISATION</b>  |                |            |             |
| Capitalise  | 4              | 3          | 3           |
| East Midlands Money Advice Service  | 12             | 11         | 11          |
| Citizens Advice Bureau  | 71             | 72         | 72          |
| Greater Merseyside Money Advice Project   | 10             | 9          | 9           |
| Talking Money   | 2              | 4          | 4           |
| <b>CONSIDERS THEMSELVES TO STILL BE RECEIVING ADVICE*</b>                                     |                |            |             |
| No  | 80             | 77         | 77          |
| Yes   | 20             | 23         | 23          |
| <b>WHEN LAST HAD CONTACT WITH THIS ADVICE AGENCY</b>  |                |            |             |
| Less than 6 months ago  | 72             | 68         | 68          |
| Between 6 months and 12 months ago  | 28             | 32         | 32          |

*Continues over*

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| COLUMN PERCENTAGES (%) (CELL% WHERE MULTIPLE OPTIONS WERE ALLOWED) | NOT IN ARREARS | IN ARREARS   | ALL CLIENTS  |
|--|----------------|--------------|--------------|
| <b>NUMBER OF ADVICE SESSIONS RECEIVED***</b>                       |                |              |              |
| One  | 35             | 29           | 30           |
| Two  | 30             | 25           | 26           |
| Three  | 14             | 19           | 18           |
| Four to five   | 14             | 16           | 16           |
| Six to ten   | 3              | 7            | 7            |
| More than ten  | 3              | 3            | 3            |
| Don't know (spontaneous only)                                      | 0              | 1            | 1            |
| <b>MAIN MODE BY WHICH ADVICE WAS RECEIVED</b>                      |                |              |              |
| Face to face   | 87             | 88           | 88           |
| By phone   | 7              | 8            | 8            |
| Some other way   | 6              | 4            | 4            |
| Not answered   | 0              | <1           | <1           |
| <b>ANY ACTIONS AGREED***</b>                                       |                |              |              |
| Yes  | 86             | 94           | 93           |
| No   | 13             | 6            | 7            |
| Not answered   | <1             | <1           | <1           |
| <b>TYPES OF ACTIONS AGREED (MULTIPLE OPTIONS ALLOWED)</b>          |                |              |              |
| Formal actions agreed**  | 31             | 49           | 46           |
| Informal actions agreed  | 47             | 43           | 43           |
| <b>Unweighted base</b>   | <b>304</b>     | <b>1,518</b> | <b>1,822</b> |

Data are weighted to be representative by gender, age and organisation. Due to rounding, percentages may not appear to sum to 100.

\* p<0.05

\*\*p<0.01

\*\*\*p<0.001: significant variation in chi square test

### Appendix Table A3: Agreeing formal actions

The table shows only significant or highly significant factors (any category  $p < 0.05$ ) indicated in the regression

|  | % AGREEING FORMAL ACTION | ODDS RATIO | REGRESSION RESULTS |     |                    |
|--|--------------------------|------------|--------------------|-----|--------------------|
|  |                          |            | P                  | SIG | 95% CONF. INTERVAL |
| <b>AGE GROUP</b>                           |                          |            |                    |     |                    |
| 18-25                                      | 38                       |            |                    |     |                    |
| 26 to 30                                   | 40                       | 1.0        | 0.970              |     | 0.6 1.7            |
| 31 to 35                                   | 57                       | 2.1        | 0.010 *            |     | 1.2 3.6            |
| 36 to 40                                   | 48                       | 1.5        | 0.147              |     | 0.9 2.6            |
| 41 to 45                                   | 45                       | 1.2        | 0.476              |     | 0.7 2.1            |
| 46 to 50                                   | 44                       | 1.2        | 0.417              |     | 0.7 2.0            |
| 51 to 55                                   | 51                       | 1.5        | 0.098              |     | 0.9 2.6            |
| 56 to 60                                   | 39                       | 1.0        | 0.906              |     | 0.6 1.8            |
| 61 to 65                                   | 50                       | 1.5        | 0.185              |     | 0.8 2.7            |
| 66 and over                                | 47                       | 1.4        | 0.431              |     | 0.6 3.3            |
| Not answered                               | -                        | -          |                    |     |                    |
| <b>ETHNICITY</b>                           |                          |            |                    |     |                    |
| Non-White British                          | 37                       |            |                    |     |                    |
| White British                              | 48                       | 1.7        | 0.001 **           |     | 1.2 2.4            |
| Not answered                               | -                        | 0.6        | 0.246              |     | 0.2 1.5            |
| <b>HOUSING TENURE</b>                      |                          |            |                    |     |                    |
| Owns with mortgage                         | 25                       |            |                    |     |                    |
| Owns outright                              | 25                       | 1.1        | 0.808              |     | 0.5 2.2            |
| Rents from a private landlord              | 48                       | 3.0        | 0.000 ***          |     | 2.0 4.6            |
| Rents from a social landlord               | 50                       | 3.1        | 0.000 ***          |     | 2.1 4.6            |
| Some other arrangement                     | 47                       | 3.8        | 0.000 ***          |     | 2.1 6.8            |
| Not answered                               | -                        | 5.5        | 0.005 **           |     | 1.7 18.2           |
| <b>TYPES OF ARREARS WHEN SOUGHT ADVICE</b> |                          |            |                    |     |                    |
| None                                       | 33                       |            |                    |     |                    |
| Both priority and non-priority debts       | 35                       | 2.7        | 0.000 ***          |     | 1.9 3.7            |
| Priority debts only                        | 48                       | 1.0        | 0.924              |     | 0.7 1.5            |
| Non-priority debts only                    | 60                       | 1.6        | 0.005 **           |     | 1.2 2.2            |

*Continues over*

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|   | % AGREEING FORMAL ACTION | ODDS RATIO | REGRESSION RESULTS |            |                    |            |
|---|--------------------------|------------|--------------------|------------|--------------------|------------|
|   |                          |            | P                  | SIG        | 95% CONF. INTERVAL |            |
| <b>NUMBER OF ADVICE SESSIONS RECEIVED</b> |                          |            |                    |            |                    |            |
| <b>One</b>                                | 32                       |            |                    |            |                    |            |
| <b>Two</b>                                | 44                       | 1.7        | 0.000              | ***        | 1.3                | 2.3        |
| <b>Three</b>                              | 51                       | 2.2        | 0.000              | ***        | 1.6                | 3.0        |
| <b>Four to five</b>                       | 60                       | 2.8        | 0.000              | ***        | 2.0                | 4.0        |
| <b>Six to ten</b>                         | 56                       | 2.4        | 0.000              | ***        | 1.5                | 3.6        |
| <b>More than ten</b>                      | 59                       | 2.9        | 0.001              | **         | 1.5                | 5.6        |
| <b>Not answered</b>                       | 70                       | 3.2        | 0.024              | *          | 1.2                | 8.6        |
| <b>_cons</b>                              |                          | <b>0.0</b> | <b>0.000</b>       | <b>***</b> | <b>0.0</b>         | <b>0.1</b> |

n = 1,822. Pseudo R2 = 0.109. Data are weighted to be representative by gender, age and organisation.

\* p<0.05

\*\*p<0.01

\*\*\*p<0.001 levels of statistical significance in the regression. – indicates too few cases to report %, or empty cells in the regression. Gender, mental health problems, education achieved, work status and household composition were included in the model but were not significant. Other debt/advice characteristics were not included as they were not significant when tested in bivariate analysis. Lead Organisation was controlled in the model.

## Appendix Table A4: Perceived resolution of problems (completely or to a great extent)

The table shows only significant or highly significant factors (any category  $p < 0.05$ ) indicated in the regression

|   | % RESOLVED<br>COMPLETELY/<br>GREAT EXTENT | ODDS RATIO | REGRESSION RESULTS |     |                    |
|---|---|------------|--------------------|-----|--------------------|
|   |   |            | P                  | SIG | 95% CONF. INTERVAL |
| <b>HOUSING TENURE</b>                                     |   |            |                    |     |                    |
| Owns with mortgage  | 61  |            |                    |     |                    |
| Owns outright   | 65  | 1.2        | 0.660              |     | 0.6 2.2            |
| Rents from a private landlord                             | 72  | 1.6        | 0.024 *            |     | 1.1 2.5            |
| Rents from a social landlord                              | 66  | 1.2        | 0.293              |     | 0.8 1.8            |
| Some other arrangement                                    | 64  | 1.1        | 0.793              |     | 0.6 1.9            |
| Not answered  | -   | 0.7        | 0.634 *            |     | 0.2 2.6            |
| <b>TYPES OF ARREARS WHEN SOUGHT ADVICE</b>                |   |            |                    |     |                    |
| Both  | 65  |            |                    |     |                    |
| Priority debts only                                       | 62  | 1.1        | 0.626              |     | 0.8 1.5            |
| Non-priority debts only                                   | 71  | 1.4        | 0.027 *            |     | 1.0 2.0            |
| None  | 69  | 1.7        | 0.006 **           |     | 1.2 2.5            |
| <b>NUMBER OF ADVICE SESSIONS RECEIVED</b>                 |   |            |                    |     |                    |
| One   | 60  |            |                    |     |                    |
| Two   | 66  | 1.2        | 0.202              |     | 0.9 1.7            |
| Three   | 67  | 1.0        | 0.836              |     | 0.7 1.5            |
| Four to five  | 76  | 1.7        | 0.008 **           |     | 1.2 2.6            |
| Six to ten  | 74  | 1.4        | 0.156              |     | 0.9 2.4            |
| More than ten   | 73  | 1.4        | 0.290              |     | 0.7 2.8            |
| Don't know (spontaneous only)                             | 61  | 0.9        | 0.854 *            |     | 0.3 2.8            |
| <b>ASPECTS OF ADVICE/INFO RECEIVED (MULTIPLE OPTIONS)</b> |   |            |                    |     |                    |
| What to do if their situation changed                     | 75  | 3.5        | 0.000 ***          |     | 2.7 4.5            |
| How to increase income                                    | 77  | 1.5        | 0.011 *            |     | 1.1 2.1            |
| Referred to another organisation                          | 64  | 0.8        | 0.141 *            |     | 0.6 1.1            |
| <b>TYPES OF ACTIONS AGREED (MULTIPLE OPTIONS)</b>         |   |            |                    |     |                    |
| Formal  | 74  | 5.2        | 0.000 ***          |     | 3.4 7.7            |
| Informal  | 67  | 3.9        | 0.000 ***          |     | 2.6 5.8            |
| Other   | 70  | 1.0        | 0.972 *            |     | 0.8 1.3            |
| <b>_cons</b>  |   | <b>0.0</b> | <b>0.000 ***</b>   |     | <b>0.1 0.4</b>     |

$n = 1,822$ . Pseudo  $R^2 = 0.146$ . Data are weighted to be representative by gender, age and organisation. \*  $p < 0.05$  \*\* $p < 0.01$  \*\*\* $p < 0.001$  levels of statistical significance in the regression. - indicates that there are too few cases in the category to report %, or empty cells in the regression. Gender, age group, ethnicity, mental health problems, education achieved, work status and household composition and triggers to seeking advice were included in the model but were not significant. Other debt/advice characteristics were not included as they were not significant when tested in bivariate analysis. Lead Organisation was controlled in the model.

## Appendix Table A5: Understanding very well the steps needed to sort out their debts and financial difficulties

The table shows only significant or highly significant factors (any category  $p < 0.05$ ) indicated in the regression

|  | % UNDERSTOOD<br>VERY WELL | ODDS RATIO | LOGISTIC REGRESSION RESULTS |     |                    |
|--|---------------------------|------------|-----------------------------|-----|--------------------|
|  |                           |            | P                           | SIG | 95% CONF. INTERVAL |
| <b>MENTAL HEALTH</b>                                     |                           |            |                             |     |                    |
| Yes  | 67                        |            |                             |     |                    |
| No   | 73                        | 1.3        | 0.024*                      |     | 1.0 1.7            |
| <b>HIGHEST EDUCATION ACHIEVED</b>                        |                           |            |                             |     |                    |
| No qualifications  | 65                        |            |                             |     |                    |
| Degree level   | 73                        | 1.7        | 0.008**                     |     | 1.1 2.4            |
| Below degree level                                       | 70                        | 1.3        | 0.039*                      |     | 1.0 1.8            |
| Other (spontaneous only)                                 | -                         | 1.0        | 0.950                       |     | 0.3 2.8            |
| Not answered   | -                         | 2.0        | 0.150                       | *   | 0.8 5.3            |
| <b>TYPES OF ARREARS WHEN SOUGHT ADVICE</b>               |                           |            |                             |     |                    |
| Both   | 70                        |            |                             |     |                    |
| Priority debts only                                      | 63                        | 1.7        | 0.001**                     |     | 1.3 2.4            |
| Non-priority debts only                                  | 73                        | 1.7        | 0.001**                     |     | 1.2 2.3            |
| None   | 73                        | 1.5        | 0.019*                      |     | 1.1 2.1            |
| <b>NUMBER OF ADVICE SESSIONS RECEIVED</b>                |                           |            |                             |     |                    |
| One  | 60                        |            |                             |     |                    |
| Two  | 66                        | 1.2        | 0.202                       |     | 0.9 1.7            |
| Three  | 67                        | 1.0        | 0.836                       |     | 0.7 1.5            |
| Four to five   | 76                        | 1.7        | 0.008**                     |     | 1.2 2.6            |
| Six to ten   | 74                        | 1.4        | 0.156                       |     | 0.9 2.4            |
| More than ten  | 73                        | 1.4        | 0.290                       |     | 0.7 2.8            |
| Don't know (spontaneous only)                            | 61                        | 0.9        | 0.854*                      |     | 0.3 2.8            |
| <b>WHEN LAST HAD CONTACT WITH THIS AGENCY</b>            |                           |            |                             |     |                    |
| 6-12 months ago  | 65                        |            |                             |     |                    |
| Less than 6 months ago                                   | 71                        | 1.3        | 0.017*                      |     | 1.1 1.7            |
| <b>ADVICE OR INFORMATION RECEIVED (MULTIPLE OPTIONS)</b> |                           |            |                             |     |                    |
| What to do if their situation changed                    | 75                        | 2.5        | 0.000***                    |     | 1.9 3.2            |
| How to increase income                                   | 74                        | 1.1        | 0.414                       |     | 0.8 1.6            |
| Referred to another organisation                         | 71                        | 0.7        | 0.015*                      |     | 0.6 0.9            |

*Continues over*

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|   | % UNDERSTOOD<br>VERY WELL | ODDS RATIO | LOGISTIC REGRESSION RESULTS |           |                    |
|---|---------------------------|------------|-----------------------------|-----------|--------------------|
|   |                           |            | P                           | SIG       | 95% CONF. INTERVAL |
| <b>TYPES OF ACTIONS AGREED (MULTIPLE OPTIONS)</b> |                           |            |                             |           |                    |
| <b>Formal</b>                                     | 73                        | 2.4        | 0.000                       | ***       | 1.6 3.6            |
| <b>Informal</b>                                   | 70                        | 1.9        | 0.001                       | **        | 1.3 2.8            |
| <b>Other</b>                                      | 70                        | 1.0        | 0.688                       |           | 0.7 1.2            |
| <b>_cons</b>                                      | <b>69</b>                 | <b>0.3</b> | <b>0.001</b>                | <b>**</b> | <b>0.1 0.6</b>     |

n = 1,822. Pseudo R2 = 0.082. Data are weighted to be representative by gender, age and organisation.

\*p<0.05

\*\*p<0.01

\*\*\*p<0.001 levels of statistical significance in the regression. - indicates that there are too few cases in the category to report %, or empty cells in the regression.

Gender, age group, ethnicity, work status, household composition and housing tenure were included in the model but were not significant. Other debt/advice characteristics were not included as they were not significant when tested in bivariate analysis. Lead Organisation was controlled in the model.

## Appendix Table A6: Now knowing how to deal with debt (on all four measures)

The table shows only significant or highly significant factors (any category p<0.05) indicated in the regression

|  | % UNDERSTOOD<br>VERY WELL | ODDS RATIO | LOGISTIC REGRESSION RESULTS |            |                    |            |
|--|---------------------------|------------|-----------------------------|------------|--------------------|------------|
|  |                           |            | P                           | SIG        | 95% CONF. INTERVAL |            |
| <b>ETHNICITY</b>   |                           |            |                             |            |                    |            |
| Non-White British  | 50                        |            |                             |            |                    |            |
| White British  | 67                        | 2.0        | 0.000                       | ***        | 1.4                | 2.7        |
| Not answered   | -                         | 0.9        | 0.900                       |            | 0.4                | 2.5        |
| <b>MENTAL HEALTH</b>                                     |                           |            |                             |            |                    |            |
| Yes  | 64                        |            |                             |            |                    |            |
| No   | 63                        | 1.3        | 0.045                       | *          | 1.0                | 1.7        |
| <b>HOUSING TENURE</b>                                    |                           |            |                             |            |                    |            |
| Owns outright  | 48                        |            |                             |            |                    |            |
| Owns with a mortgage                                     | 54                        | 1.3        | 0.394                       |            | 0.7                | 2.5        |
| Rents from a private landlord                            | 67                        | 2.0        | 0.019                       | *          | 1.1                | 3.7        |
| Rents from a social landlord                             | 65                        | 1.8        | 0.035                       | *          | 1.0                | 3.2        |
| Some other arrangement                                   | 61                        | 1.5        | 0.262                       |            | 0.7                | 3.0        |
| <b>ADVICE OR INFORMATION RECEIVED (MULTIPLE OPTIONS)</b> |                           |            |                             |            |                    |            |
| What to do if their situation changed                    | 71                        | 2.9        | 0.000                       | ***        | 2.2                | 3.7        |
| How to increase income                                   | 74                        | 1.6        | 0.003                       | **         | 1.2                | 2.2        |
| Referred to another organisation                         | 64                        | 1.0        | 0.990                       | *          | 0.8                | 1.3        |
| <b>TYPES OF ACTIONS AGREED (MULTIPLE OPTIONS)</b>        |                           |            |                             |            |                    |            |
| Formal   | 76                        | 6.3        | 0.000                       | ***        | 4.1                | 9.5        |
| Informal   | 58                        | 3.2        | 0.000                       | ***        | 2.1                | 4.7        |
| Other  | 68                        | 1.2        | 0.144                       | *          | 0.9                | 1.5        |
| <b>_cons</b>   | <b>63</b>                 | <b>0.1</b> | <b>0.000</b>                | <b>***</b> | <b>0.0</b>         | <b>0.1</b> |

n = 1,822. Pseudo R2 = 0.154. Data are weighted to be representative by gender, age and organisation.

\* p<0.05

\*\*p<0.01

\*\*\*p<0.001 levels of statistical significance in the regression. - indicates that there are too few cases in the category to report %, or empty cells in the regression.

Gender, age group, work status, household composition, types of arrears and number of advice sessions were included in the model but were not significant. Other debt/advice characteristics were not included as they were not significant when tested in bivariate analysis. Lead Organisation was controlled in the model.



**Appendix Table A7: Overview of debt advice outcomes by mental health diagnosis**

| PERCENTAGES (%)  | SELF-REPORTED MENTAL HEALTH DIAGNOSIS |    |     |
|--|---------------------------------------|----|-----|
|  | YES                                   | NO | ALL |
| <b>DEBT AND ADVICE CHARACTERISTICS</b>   |                                       |    |     |
| Types of arrears when sought advice***   |                                       |    |     |
| Both priority and non-priority debts   | 37                                    | 26 | 32  |
| Priority debts only  | 24                                    | 25 | 24  |
| Non-priority debts only  | 23                                    | 25 | 24  |
| None   | 16                                    | 24 | 19  |
| Advice trigger: causes of debt*  |                                       |    |     |
| Has sought advice in the past***   | 44                                    | 39 | 42  |
| Number of advice sessions received**   |                                       |    |     |
| One  | 46                                    | 35 | 41  |
| Two  | 26                                    | 36 | 30  |
| Three  | 26                                    | 25 | 26  |
| Four to five   | 18                                    | 18 | 18  |
| Six to ten   | 18                                    | 13 | 16  |
| More than ten  | 8                                     | 5  | 7   |
| Don't know (spontaneous only)  | 3                                     | 2  | 3   |
|  | -                                     | -  | -   |
| <b>EXPERIENCE OF THE DEBT ADVICE PROCESS</b>                                   |                                       |    |     |
| Advice explained how to increase income*                                       |                                       |    |     |
|  | 19                                    | 16 | 18  |
| Types of actions agreed  |                                       |    |     |
| Formal actions agreed*   | 48                                    | 43 | 46  |
| Other actions agreed**   | 52                                    | 44 | 48  |
| <b>KNOWLEDGE AND UNDERSTANDING</b>   |                                       |    |     |
| Understands very the steps needed to sort out debts or financial difficulties* |                                       |    |     |
|  | 67                                    | 73 | 69  |

*Continues over*

| PERCENTAGES (%)  | SELF-REPORTED MENTAL HEALTH DIAGNOSIS |            |              |
|--|---------------------------------------|------------|--------------|
|  | YES                                   | NO         | ALL          |
| <b>FINANCIAL OUTCOMES AND WELLBEING</b>  |                                       |            |              |
| Financial control  |                                       |            |              |
| I now feel more in control of financial situation***                                     | 79                                    | 87         | 83           |
| I now feel comfortable in how I go about dealing with my financial situation***          | 77                                    | 88         | 81           |
| <b>WORRY AND STRESS</b>  |                                       |            |              |
| I now worry less about my debts or financial difficulties***                             | 65                                    | 80         | 71           |
| I am now less stressed about my debts or financial difficulties***                       | 67                                    | 79         | 72           |
| Income increased or maintained as a result of the advice (base: received advice: n=757)* | 84                                    | 90         | 86           |
| Overall financial situation now is better than when sought help*                         | 57                                    | 62         | 59           |
| Current status of debt repayments***   | 9                                     | 15         | 12           |
| Not behind originally and no new debts built up  | 15                                    | 12         | 14           |
| Outstanding debts are fully paid off   | 32                                    | 37         | 34           |
| Outstanding debts are reducing   | 20                                    | 19         | 20           |
| Outstanding debts are staying the same   | 9                                     | 5          | 7            |
| Outstanding debts are increasing   | 15                                    | 11         | 14           |
| <b>Unweighted base</b>   | <b>1,068</b>                          | <b>754</b> | <b>1,822</b> |

n = 1,822. Data are weighted to be representative by gender, age and organisation. All measures shown were statistically significant in bivariate analysis in a chi-sq tests:

\*p<0.05

\*\*p<0.01

\*\*\*p<0.001 levels of statistical significance. Post-hoc adjustments to significance testing have not been made. Other outcomes not shown were tested but did not differ significantly by mental health diagnosis.

## Appendix Table A8: Any actions progressed

The table shows only significant or highly significant factors (any category  $p < 0.05$ ) indicated in the regression

|  | % ANY ACTIONS<br>PROCESSED | ODDS RATIO | LOGISTIC REGRESSION RESULTS |     |                    |
|--|----------------------------|------------|-----------------------------|-----|--------------------|
|  |                            |            | P                           | SIG | 95% CONF. INTERVAL |
| <b>TYPES OF ARREARS WHEN SOUGHT ADVICE</b>                   |                            |            |                             |     |                    |
| NONE   | 81                         |            |                             |     |                    |
| Priority and non-priority debts                              | 90                         | 2.6        | 0.000                       | *** | 1.7 4.2            |
| Priority debts only  | 84                         | 1.5        | 0.081                       |     | 0.9 2.5            |
| Non-priority debts only                                      | 89                         | 1.9        | 0.007                       | **  | 1.2 3.0            |
| <b>LAST CONTACT WITH THIS ADVICE AGENCY</b>                  |                            |            |                             |     |                    |
| 6-12 months ago  | 84                         |            |                             |     |                    |
| Less than 6 months ago                                       | 88                         | 1.5        | 0.022                       | *   | 1.1 2.1            |
| <b>ADVICE OR INFORMATION RECEIVED)</b>                       |                            |            |                             |     |                    |
| What to do if their situation changed                        | 92                         | 2.5        | 0.000                       | *** | 1.8 3.4            |
| <b>SATISFACTION WITH ADVICE RECEIVED (MULTIPLE MEASURES)</b> |                            |            |                             |     |                    |
| Got all the help wanted from the advice                      | 92                         | 1.7        | 0.008                       | **  | 1.2 2.6            |
| Advice received resolved problems completely/greatly         | 94                         | 2.8        | 0.000                       | *** | 1.8 4.2            |
| <b>NOW KNOWS HOW TO DEAL WITH DEBT</b>                       |                            |            |                             |     |                    |
| All 4 measures   | 93                         | 2.4        | 0.000                       | *** | 1.7 3.5            |
| <b>_cons</b>   | <b>87</b>                  | <b>0.7</b> | <b>0.393</b>                |     | <b>0.3 1.7</b>     |

n = 1,822. Pseudo R2 = 0.209. Data are weighted to be representative by gender, age and organisation.

\*  $p < 0.05$

\*\*  $p < 0.01$

\*\*\*  $p < 0.001$  levels of statistical significance in the regression. - indicates that there are too few cases in the category to report %, or empty cells in the regression.

Gender, age group, ethnicity, reporting mental health problems, work status, household composition, housing tenure, advice on maximizing income, number of advice sessions and understanding very well the steps needed to sort out debts were included in the model but were not significant. Other debt/advice characteristics were not included as they were not significant when tested in bivariate analysis. Lead Organisation was controlled in the model.

## Appendix Table A9: All actions progressed, among those agreeing any actions

The table shows only significant or highly significant factors (any category  $p < 0.05$ ) indicated in the regression

|                                  | % ANY ACTIONS<br>PROCESSED | ODDS RATIO | LOGISTIC REGRESSION RESULTS |     |                    |
|----------------------------------|----------------------------|------------|-----------------------------|-----|--------------------|
|                                  |                            |            | P                           | SIG | 95% CONF. INTERVAL |
| <b>AGE GROUP</b>                 |                            |            |                             |     |                    |
| 18-25                            | 67                         |            |                             |     |                    |
| 26 to 30                         | 55                         | 0.6        | 0.066                       |     | 0.3 1.0            |
| 31 to 35                         | 51                         | 0.6        | 0.062                       |     | 0.3 1.0            |
| 36 to 40                         | 56                         | 0.6        | 0.144                       |     | 0.4 1.2            |
| 41 to 45                         | 50                         | 0.6        | 0.047 *                     |     | 0.3 1.0            |
| 46 to 50                         | 57                         | 0.8        | 0.303                       |     | 0.4 1.3            |
| 51 to 55                         | 50                         | 0.6        | 0.071                       |     | 0.3 1.0            |
| 56 to 60                         | 55                         | 0.7        | 0.282                       |     | 0.4 1.3            |
| 61 to 65                         | 51                         | 0.6        | 0.139                       |     | 0.3 1.2            |
| 66 and over                      | 54                         | 0.6        | 0.218                       |     | 0.3 1.4            |
| Not answered                     | -                          | -          |                             |     |                    |
| <b>ETHNICITY</b>                 |                            |            |                             |     |                    |
| White British                    | 48                         |            |                             |     |                    |
| Non-White British                | 56                         | 1.5        | 0.008 **                    |     | 1.1 2.1            |
| Not answered                     | -                          | 0.9        | 0.860                       |     | 0.4 2.3            |
| <b>HOUSEHOLD COMPOSITION</b>     |                            |            |                             |     |                    |
| Lone adult                       | 54                         |            |                             |     |                    |
| Couple                           | 53                         | 0.9        | 0.541                       |     | 0.6 1.3            |
| Lone adult with children         | 58                         | 1.2        | 0.296                       |     | 0.8 1.8            |
| Two or more adults with children | 57                         | 1.1        | 0.507                       |     | 0.8 1.6            |
| Multi-adult household            | 49                         | 0.7        | 0.040 *                     |     | 0.5 1.0            |
| Not answered                     | -                          | 1.4        | 0.540                       |     | 0.5 4.3            |

*Continues over*

|  | % ANY ACTIONS<br>PROCESSED | ODDS RATIO | LOGISTIC REGRESSION RESULTS |           |                    |             |
|--|----------------------------|------------|-----------------------------|-----------|--------------------|-------------|
|  |                            |            | P                           | SIG       | 95% CONF. INTERVAL |             |
| <b>ACTIONS AGREED (MULTIPLE OPTIONS)</b>                     |                            |            |                             |           |                    |             |
| Formal actions   | 47                         | 0.1        | 0.000                       |           | 0.0                | 0.2         |
| Informal actions   | 60                         | 0.2        | 0.000                       |           | 0.1                | 0.4         |
| Other actions  | 49                         | 0.5        | 0.000                       |           | 0.4                | 0.7         |
| Advice received resolved the problems at least greatly       | 59                         | 1.7        | 0.000                       | ***       | 1.3                | 2.2         |
| Now understands very well the steps needed to sort out debts | 58                         | 1.3        | 0.029                       | *         | 1.0                | 1.7         |
| <b>_cons</b>   | <b>54</b>                  | <b>5.9</b> | <b>0.001</b>                | <b>**</b> | <b>2.0</b>         | <b>17.5</b> |

n = 1,680. Pseudo R2 = 0.084. Data are weighted to be representative by gender, age and organisation.

\*p<0.05

\*\*p<0.01

\*\*\*p<0.001 levels of statistical significance in the regression. - indicates that there are too few cases in the category to report %, or empty cells in the regression.

Gender, reporting mental health problems, work status, housing tenure, types of arrears, being advised what to do if their situation changed and getting all the help clients wanted from the advice were included in the model but were not significant. Other debt/advice characteristics were not included as they were not significant when tested in bivariate analysis. Lead Organisation was controlled in the model.

## Appendix Table A10: Now managing money better day to day (all five measures)

The table shows only significant or highly significant factors (any category  $p < 0.05$ ) indicated in the regression

|  | % ANY ACTIONS PROGRESSED | ODDS RATIO | LOGISTIC REGRESSION RESULTS |     |                    |
|--|--------------------------|------------|-----------------------------|-----|--------------------|
|  |                          |            | P                           | SIG | 95% CONF. INTERVAL |
| <b>WORK STATUS</b>   |                          |            |                             |     |                    |
| Unemployed   | 52                       |            |                             |     |                    |
| Working full-time  | 59                       | 1.3        | 0.151                       |     | 0.9 1.9            |
| Working part-time  | 63                       | 1.5        | 0.022 *                     |     | 1.1 2.1            |
| Retired  | 67                       | 2.2        | 0.015 *                     |     | 1.2 4.2            |
| Education or full-time training                                  | -                        | 2.1        | 0.074                       |     | 0.9 4.6            |
| Looking after the home   | 64                       | 1.5        | 0.110                       |     | 0.9 2.4            |
| Permanently sick or disabled                                     | 56                       | 1.1        | 0.484                       |     | 0.8 1.6            |
| Not answered   | 54                       | 1.1        | 0.677                       |     | 0.6 2.0            |
| <b>TRIGGERS FOR SEEKING ADVICE (MULTIPLE OPTIONS)</b>            |                          |            |                             |     |                    |
| The consequences of debt   | 58                       | 1.1        | 0.681                       |     | 0.8 1.5            |
| The causes of debt   | 60                       | 1.2        | 0.278                       |     | 0.9 1.6            |
| Referral from another organisation                               | 65                       | 1.5        | 0.045 *                     |     | 1.0 2.2            |
| Just needed advice   | 57                       | 1.0        | 0.817                       |     | 0.7 1.5            |
| <b>ASPECTS OF ADVICE/INFO RECEIVED (MULTIPLE OPTIONS)</b>        |                          |            |                             |     |                    |
| What to do if their situation changed                            | 64                       | 1.5        | 0.003 **                    |     | 1.1 1.9            |
| How to increase income   | 70                       | 1.4        | 0.021 *                     |     | 1.1 1.9            |
| Referred to another organisation                                 | 58                       | 1.0        | 0.703                       |     | 0.7 1.2            |
| <b>ACTIONS AGREED (MULTIPLE OPTIONS)</b>                         |                          |            |                             |     |                    |
| Formal actions   | 66                       | 2.6        | 0.000 ***                   |     | 1.7 3.8            |
| Informal actions   | 57                       | 2.0        | 0.000 ***                   |     | 1.4 3.0            |
| Other actions  | 68                       | 1.8        | 0.000 ***                   |     | 1.4 2.3            |
| <b>SATISFACTION WITH THE ADVICE RECEIVED (MULTIPLE MEASURES)</b> |                          |            |                             |     |                    |
| Got all the help wanted from the advice                          | 65                       | 1.4        | 0.011 *                     |     | 1.1 1.9            |
| Advice received resolved problems completely/greatly             | 67                       | 2.0        | 0.000 ***                   |     | 1.5 2.6            |
| <b>_cons</b>   | <b>59</b>                | <b>0.1</b> | <b>0.000 ***</b>            |     | <b>0.0 0.2</b>     |

$n = 1,822$ . Pseudo  $R^2 = 0.119$ . Data are weighted to be representative by gender, age and organisation.

\*  $p < 0.05$

\*\*  $p < 0.01$

\*\*\*  $p < 0.001$  levels of statistical significance in the regression. - indicates that there are too few cases in the category to report %, or empty cells in the regression.

Gender, age group, ethnicity, reporting mental health problems, education level, household composition, and housing tenure, were included in the model but were not significant. Other debt/advice characteristics were not included as they were not significant when tested in bivariate analysis. Lead organisation and whether in arrears when sought advice were controlled in the model.

### Appendix Table A11: Now has financial control (all four measures)

The table shows only significant or highly significant factors (any category  $p < 0.05$ ) indicated in the regression

|  | % FINANCIAL CONTROL<br>(ALL 4 MEASURES) | ODDS RATIO | LOGISTIC REGRESSION RESULTS |     |                    |
|--|---|------------|-----------------------------|-----|--------------------|
|  |   |            | P                           | SIG | 95% CONF. INTERVAL |
| <b>AGE GROUP</b>   |   |            |                             |     |                    |
| 26 to 30   | 61                                      |            |                             |     |                    |
| 18 to 25   | 69                                      | 2.2        | 0.020                       | *   | 1.1 4.4            |
| 31 to 35   | 62                                      | 0.9        | 0.635                       |     | 0.5 1.5            |
| 36 to 40   | 69                                      | 1.7        | 0.073                       |     | 1.0 3.0            |
| 41 to 45   | 63                                      | 1.3        | 0.351                       |     | 0.8 2.2            |
| 46 to 50   | 59                                      | 1.1        | 0.822                       |     | 0.6 1.8            |
| 51 to 55   | 65                                      | 1.4        | 0.275                       |     | 0.8 2.3            |
| 56 to 60   | 62                                      | 1.5        | 0.177                       |     | 0.8 2.6            |
| 61 to 65   | 66                                      | 1.5        | 0.200                       |     | 0.8 3.0            |
| 66 and over  | 71                                      | 2.5        | 0.048                       | *   | 1.0 6.0            |
| Not answered   | -                                       | -          |                             |     |                    |
| <b>MENTAL HEALTH PROBLEM</b>                                     |   |            |                             |     |                    |
| Yes  | 61                                      |            |                             |     |                    |
| No   | 69                                      | 1.6        | 0.000                       | *** | 1.2 2.1            |
| <b>HOUSING TENURE</b>  |   |            |                             |     |                    |
| Owns with mortgage   | 54                                      |            |                             |     |                    |
| Owns outright  | 56                                      | 1.3        | 0.503                       |     | 0.6 2.6            |
| Rents from a private landlord                                    | 68                                      | 1.7        | 0.020                       | *   | 1.1 2.7            |
| Rents from a social landlord                                     | 65                                      | 1.6        | 0.026                       | *   | 1.1 2.5            |
| Some other arrangement   | 64                                      | 1.6        | 0.147                       |     | 0.9 2.9            |
| Not answered   | -                                       | 1.2        | 0.790                       |     | 0.4 3.5            |
| <b>ASPECTS OF ADVICE/INFO RECEIVED (MULTIPLE OPTIONS)</b>        |   |            |                             |     |                    |
| What to do if their situation changed                            | 71                                      | 1.4        | 0.017                       | *   | 1.1 1.9            |
| How to increase income   | 77                                      | 1.7        | 0.001                       | **  | 1.2 2.4            |
| Referred to another organisation                                 | 63                                      | 0.9        | 0.711                       |     | 0.7 1.3            |
| <b>SATISFACTION WITH THE ADVICE RECEIVED (MULTIPLE MEASURES)</b> |   |            |                             |     |                    |
| Got all the help wanted from the advice                          | 74                                      | 2.0        | 0.000                       | *** | 1.5 2.8            |
| Advice received resolved problems completely/greatly             | 75                                      | 1.8        | 0.000                       | *** | 1.3 2.5            |

*Continues over*

## Debt Advice Evaluation 2016

|  | % FINANCIAL CONTROL<br>(ALL 4 MEASURES) | ODDS RATIO | LOGISTIC REGRESSION RESULTS |            |                    |
|--|---|------------|-----------------------------|------------|--------------------|
|  |   |            | P                           | SIG        | 95% CONF. INTERVAL |
| <b>KNOWLEDGE AND UNDERSTANDING (MULTIPLE MEASURES)</b> |   |            |                             |            |                    |
| Understands very well the steps needed to sort debts   | 70                                      | 1.0        | 0.754                       |            | 0.8 1.4            |
| Now knows how to deal with debt                        | 80                                      | 3.7        | 0.000                       | ***        | 2.8 4.8            |
| <b>NOW MANAGING MONEY BETTER</b>                       |   |            |                             |            |                    |
| No   | 43                                      |            |                             |            |                    |
| Yes  | 79                                      | 2.9        | 0.000                       | ***        | 2.2 3.8            |
| <b>_cons</b>   | <b>64</b>                               | <b>0.1</b> | <b>0.000</b>                | <b>***</b> | <b>0.0 0.2</b>     |

n = 1,822. Pseudo R2 = 0.260. Data are weighted to be representative by gender, age and organisation.

\*p<0.05

\*\*p<0.01

\*\*\*p<0.001 levels of statistical significance in the regression. - indicates that there are too few cases in the category to report %, or empty cells in the regression.

Gender, ethnicity, education level, work status, household composition, the types of actions agreed and actions progressed were included in the model but were not significant. Other debt/advice characteristics were not included as they were not significant when tested in bivariate analysis. Lead organisation and whether in arrears when sought advice were controlled in the model.



## Appendix Table A12: Financial situation is much better now

The table shows only significant or highly significant factors (any category  $p < 0.05$ ) indicated in the regression

|                                   | % REPORTING MUCH BETTER FINANCIAL SITUATION | ODDS RATIO | LOGISTIC REGRESSION RESULTS |     |                    |
|-----------------------------------|---|------------|-----------------------------|-----|--------------------|
|                                   |   |            | P                           | SIG | 95% CONF. INTERVAL |
| <b>AGE GROUP</b>                  |   |            |                             |     |                    |
| 56 to 60                          | 35  |            |                             |     |                    |
| 18 to 25                          | 38  | 2.0        | 0.015                       | *   | 1.1 3.6            |
| 26 to 30                          | 31  | 2.3        | 0.003                       | **  | 1.3 4.0            |
| 31 to 35                          | 33  | 1.3        | 0.330                       |     | 0.8 2.3            |
| 36 to 40                          | 27  | 1.5        | 0.157                       |     | 0.9 2.4            |
| 41 to 45                          | 26  | 1.1        | 0.669                       |     | 0.7 1.8            |
| 46 to 50                          | 30  | 1.0        | 0.993                       |     | 0.6 1.6            |
| 51 to 55                          | 70  | 1.2        | 0.420                       |     | 0.8 1.9            |
| 61 to 65                          | 38  | 1.8        | 0.039                       | *   | 1.0 3.0            |
| 66 and over                       | 38  | 1.7        | 0.195                       |     | 0.8 3.9            |
| Not answered                      | -   | -          |                             |     |                    |
| <b>HIGHEST EDUCATION ACHIEVED</b> |   |            |                             |     |                    |
| Degree                            | 34  | 0.9        | 0.750                       |     | 0.7 1.3            |
| Below degree level                | 32  | 3.9        | 0.024                       | *   | 1.2 12.9           |
| Other (spontaneous only)          | -   | 0.8        | 0.400                       |     | 0.6 1.2            |
| No qualifications                 | 28  | 0.9        | 0.795                       |     | 0.4 2.2            |
| Not answered                      | -   |            |                             |     |                    |
| <b>WORK STATUS</b>                |   |            |                             |     |                    |
| Unemployed                        | 23  |            |                             |     |                    |
| Working full-time                 | 35  | 2.1        | 0.000                       | *** | 1.4 3.1            |
| Working part-time                 | 32  | 1.6        | 0.021                       | *   | 1.1 2.3            |
| Retired                           | 39  | 1.7        | 0.138                       |     | 0.8 3.5            |
| Education or full-time training   | -   | 1.9        | 0.126                       |     | 0.8 4.2            |
| Looking after the home            | 30  | 1.5        | 0.101                       |     | 0.9 2.5            |
| Permanently sick or disabled      | 34  | 2.1        | 0.000                       | *** | 1.5 3.1            |
| Not answered                      | -   | 1.7        | 0.118                       |     | 0.9 3.3            |

*Continues over*

|  | % REPORTING MUCH BETTER FINANCIAL SITUATION | ODDS RATIO | LOGISTIC REGRESSION RESULTS |     |                    |
|--|---|------------|-----------------------------|-----|--------------------|
|  |   |            | P                           | SIG | 95% CONF. INTERVAL |
| <b>NUMBER OF ADVICE SESSIONS</b>   |   |            |                             |     |                    |
| One  | 28  |            |                             |     |                    |
| Two  | 28  | 1.0        | 0.945                       |     | 0.7 1.4            |
| Three  | 36  | 1.4        | 0.076                       |     | 1.0 2.0            |
| Four to five   | 37  | 1.5        | 0.034 *                     |     | 1.0 2.1            |
| Six to ten   | 34  | 1.2        | 0.519                       |     | 0.7 1.9            |
| More than ten  | 35  | 1.3        | 0.390                       |     | 0.7 2.7            |
| Don't know (spontaneous only)  | -   | 0.7        | 0.499                       |     | 0.2 2.2            |
| <b>ASPECTS OF ADVICE/INFO RECEIVED (MULTIPLE OPTIONS)</b>                    |   |            |                             |     |                    |
| What to do if their situation changed  | 35  | 1.4        | 0.031 *                     |     | 1.0 1.9            |
| How to increase income   | 45  | 1.7        | 0.000 ***                   |     | 1.3 2.3            |
| Referred to another organisation   | 32  | 1.0        | 0.767                       |     | 0.8 1.4            |
| <b>KNOWLEDGE AND UNDERSTANDING FOR DEALING WITH DEBT (MULTIPLE MEASURES)</b> |   |            |                             |     |                    |
| Understands very well steps needed to sort debt                              | 36  | 1.7        | 0.000 ***                   |     | 1.3 2.2            |
| Now knows how to deal with debt  | 37  | 1.4        | 0.022 *                     |     | 1.0 1.8            |
| Managing money better  | 41  | 2.5        | 0.000 ***                   |     | 1.9 3.3            |
| <b>_cons</b>   | <b>31</b>                                   | <b>0.0</b> | <b>0.000 ***</b>            |     | <b>0.0 0.1</b>     |

n = 1,822. Pseudo R2 = 0.116. Data are weighted to be representative by gender, age and organisation.

\*p<0.05

\*\*p<0.01

\*\*\*p<0.001 levels of statistical significance in the regression. - indicates that there are too few cases in the category to report %, or empty cells in the regression.

Gender, ethnicity, mental health problems, household composition, tenure, triggers to advice seeking, the types of actions agreed and actions progressed were included in the model but were not significant. Other debt/advice characteristics were not included as they were not significant when tested in bivariate analysis. Lead organisation and whether in arrears when sought advice were controlled in the model.

**Appendix Table A13: Key debt advice outcomes, by the types of actions clients agreed**

| % REPORTING THIS OUTCOME                                      | FORMAL ACTIONS AGREED |     |     | INFORMAL ACTIONS AGREED |     |     | OTHER ACTIONS AGREED |     |     | ALL    |
|---|-----------------------|-----|-----|-------------------------|-----|-----|----------------------|-----|-----|--------|
|   | NO                    | YES | SIG | NO                      | YES | SIG | NO                   | YES | SIG |        |
| Got all the help wanted from the advice                       | 65                    | 80  | *** | 73                      | 71  |     | 71                   | 73  |     | 72     |
| Advice received resolved problems completely or greatly       | 60                    | 74  | *** | 67                      | 67  |     | 63                   | 70  | **  | 67     |
| Understood very well the steps needed to sort out their debts | 66                    | 73  | **  | 69                      | 70  |     | 68                   | 70  |     | 69     |
| Improved knowledge about debt (all four measures)             | 52                    | 76  | *** | 67                      | 58  | *** | 59                   | 68  | *** | 63     |
| Any actions progressed  | 79                    | 95  | *** | 82                      | 92  | *** | 77                   | 97  | *** | 87     |
| All actions progressed  | 53                    | 47  | **  | 43                      | 60  | *** | 51                   | 49  |     | 50     |
| Now manages money better (all five measures)                  | 52                    | 66  | *** | 59                      | 57  |     | 50                   | 68  | *** | 59     |
| Now worries less about debts or financial difficulties        | 65                    | 78  | *** | 73                      | 69  |     | 70                   | 73  |     | 71     |
| Low less stressed about debts or financial difficulties       | 67                    | 78  | *** | 73                      | 70  |     | 70                   | 74  |     | 72     |
| Greater financial control (all four measures)                 | 59                    | 70  | *** | 64                      | 64  |     | 60                   | 69  | *** | 64     |
| Income maintained/increased as a result of the advice         | 31                    | 42  | *** | 38                      | 34  |     | 26                   | 47  | *** | 36     |
| Debts reduced or cleared (base is those in arrears)           | 56                    | 52  |     | 50                      | 60  | *** | 50                   | 58  | *** | 54     |
| Overall financial situation now is much better                | 28                    | 35  | **  | 32                      | 30  |     | 28                   | 35  | *   | 31     |
| Sample size   | 989                   | 833 |     | 1,028                   | 794 |     | 948                  | 874 |     | 18,222 |

\* p<0.05

\*\*p<0.01

\*\*\*p<0.001 levels of statistical significance in bivariate analysis ( $\chi^2$ ); between those agreeing this type of action compared with those not agreeing this type of action.

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For more information about this research please contact:

**Matt Warren**

Insight Manager [Matthew.warren@moneyadvice.org.uk](mailto:Matthew.warren@moneyadvice.org.uk)

**Sarah Little**

Insights Manager [Sarah.little@moneyadvice.org.uk](mailto:Sarah.little@moneyadvice.org.uk)

**Money Advice Service**

Holborn Centre  
120 Holborn  
London EC1N 2TD

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