

# Debt on our Doorstep: 31 Ways to tackle debt and financial exclusion



## 9 Practical ways to tackle debt and financial exclusion

### 1. Budgeting better

People in poverty are extremely skilled in prioritising expenses and making a little money go a long way. However, exclusion from financial services means that people are not always aware of the options available, eg. cheaper or free alternatives for credit and advice. It is much better to get advice *before* problems occur, and for this reason receiving help to understand available options is important. This is sometimes called “financial literacy”. This is taught in some schools, and some credit unions provide this sort of help.

More information from Personal Finance Education Group: [www.pfeg.org](http://www.pfeg.org) or 0207 220 1735.

### 2. Money advice

People in poverty are more likely to experience money problems and debt, because they don't have enough money to live as society expects. There is a lot of advice available from centres like Citizen's Advice Bureaux. This advice is mainly available *after* problems have started to occur. Money advice helps people to cope with debt, find alternatives to expensive repayments demanded by creditors and provides valuable emotional and mental reassurance.

More information from: Advice UK (new name for the Federation of Information & Advice Centres) [www.adviceuk.org.uk](http://www.adviceuk.org.uk) or 0207 407 4070.

Citizen's Advice (new name for the National Association of Citizen's Advice Bureaux) [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) or 0207 833 2181.

### 3. Credit unions

Credit unions are savings cooperatives where individuals who have something in common (where they live or work) save together and borrow from the combined savings. By law they cannot charge more than 1% a month, which is equivalent to an annual percentage rate of 12.68%. As well as providing affordable credit, community credit unions also encourage a sense of community, and keep resources within the community, rather than leaking out. Credit unions are increasingly providing other services like insurance, cheaper fuel, electrical goods, bill payment, travel passes and advice. Why not find out if there is a credit union near you and start saving with them?

More information from:

- ACE Credit Union Services: 0191 2618221 or [andrew@acecus.org](mailto:andrew@acecus.org)
- Association of British Credit Unions: [www.abcul.org](http://www.abcul.org) or 0161 8323694
- Association of Independent Credit Unions: 01274 652 042
- Scottish League of Credit Unions: [www.scottishleague.org](http://www.scottishleague.org) or 01389 604502.

### 4. Equigas & Equipower

Most electricity and gas suppliers charge more to people who pay through a meter and less to people who can afford to pay by direct debit. Equigas and Equipower don't.

More information from [www.ebico.co.uk](http://www.ebico.co.uk) or 0845 4560170.

## 5. Accessible insurance

It can be expensive – and a cause of debt – when you don't have insurance and have to replace a broken or stolen item. Many insurance companies will discriminate against people with certain postcodes, to the extent of refusing to provide services. Some housing providers, like housing associations, housing trusts and councils, have "insurance with rent" schemes to help spread the payments of insurance. Some companies offer insurance to all areas and will insure low values of house contents. One company mentioned to us was CIG, [www.ciginsurance.co.uk](http://www.ciginsurance.co.uk) or ring 0800 181108.

## 6. Support in court

The Zacchaeus 2000 Trust provide support to people who have been taken to court for non-payment of fines, or arrears. With a small amount of training a McKenzie Friend (somebody recognised by the court but not professionally trained in law) can give useful practical and emotional help. Often there are simple ways of avoiding an expensive and unnecessary prosecution.

More information from Zacchaeus 2000 Trust 0208 376 5455 or [zacchaeus2000@blueyonder.co.uk](mailto:zacchaeus2000@blueyonder.co.uk).

## 7. Make travel to financial services easier

In some city and country areas it is difficult to travel to a bank, post office or other financial service provider. Having difficulty to get to these financial service providers is awkward and costly. Organise community transport to get to bank and post offices can be done informally or through a local community transport schemes.

Community Transport Association  
[www.communitytransport.com](http://www.communitytransport.com)

0870 7743586.

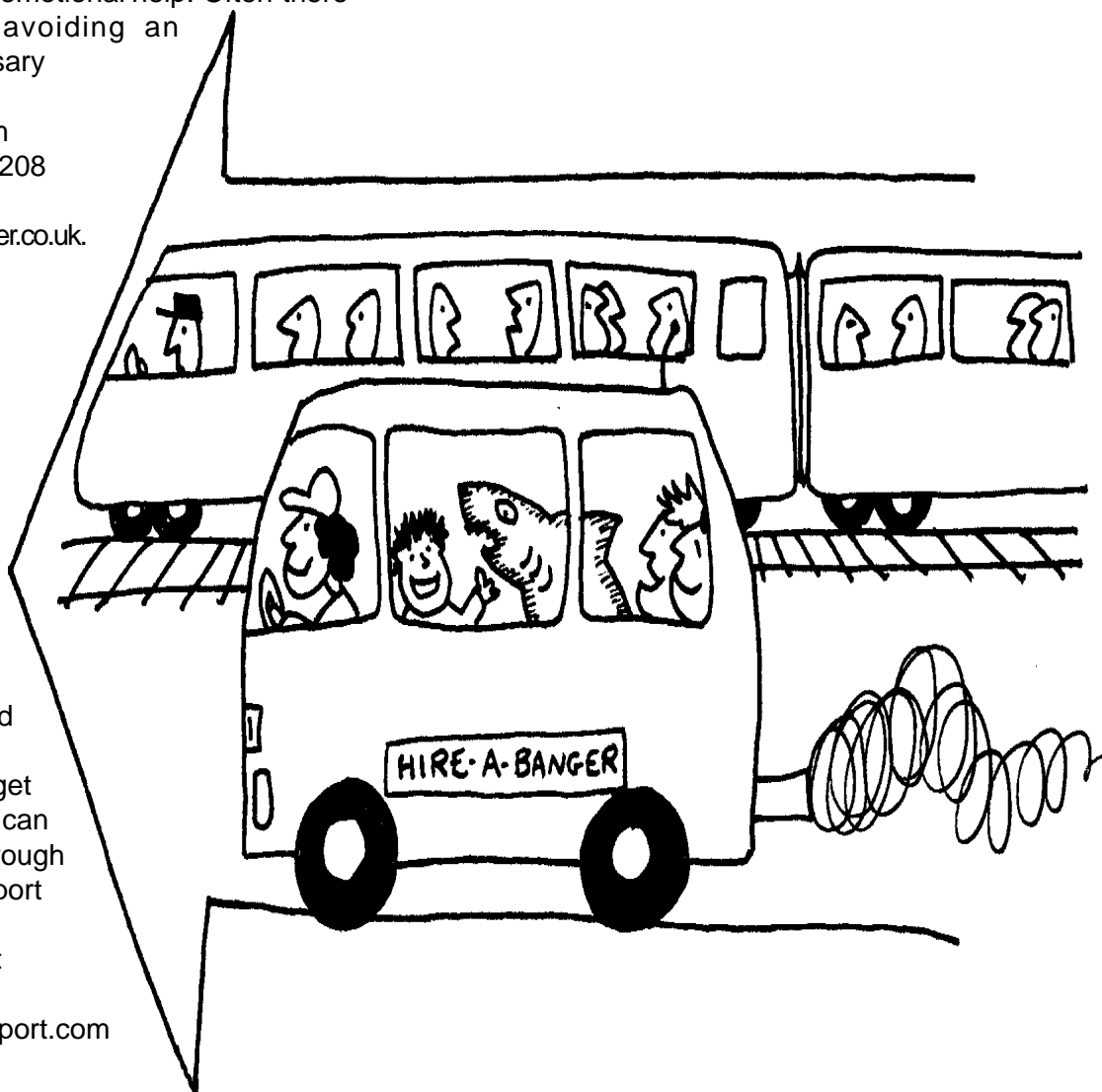
## 8. Help with personal references to access financial services

To access many financial services you need some form of personal identification, like a passport or driving licence. However, many people can't afford or need them. Some banks agree that a home visit from a reputable intermediary is acceptable. To here about this worked in Hull, ring 01482 719938.

## 9. Help with holidays

Some organisations provide financial help to people who might not otherwise be able to go on holiday. Holidays are good ways of helping people feel included in society.

Family Holidays Association  
[www.fhaonline.org.uk](http://www.fhaonline.org.uk) 020 7436 3304.



# 15 ways to campaign against debt and financial exclusion

## 10. Build a coalition

There are other groups and individuals that share our concern to tackle debt and financial exclusion. Groups of groups (coalitions) have access to more people and resources to make campaigning easier. This might mean that one group knows more about the issues, another has access to cheap printing and another may know some journalists. By working together we can have much more impact. In your area it is worth asking some of the following to join your campaign: credit unions, churches, advice centres and trade unions.

## 11. Collecting debt stories

Most people can be really influenced by a powerful true story. Retelling the experience of financial exclusion or debt can be a really useful way of getting other people to support you, especially when the people say it themselves. There might be a community project, advice centre, or credit union near you where you could find some debt stories and work with them on how to retell it in the most effective, but sensitive way. It is really important that the person telling the story feels valued and telling the story might have some impact.

## 12. Local media

It can be quite simple to publicise the issues in local newspapers, radio or television. More people read, listen and watch local media than national media. If you are having an event or doing any of the actions on this sheet it is worth a phone call to your local TV, radio station or newspaper. Often they are keen to hear about a national story (debt and financial exclusion) from a local perspective. Journalists are particularly receptive to original and creative stories - give them a ring and ask for the news-desk. The letters page of a local newspaper is always open to letters about issues of financial exclusion and debt.

## 13. Postcards and pro-forma letters

Debt on our Doorstep, and other campaigns, occasionally produce printed postcards with a message for a decision maker, such as a government minister. Postcards are a simple and quick campaign action that can show considerable support. You, or maybe someone in your group could produce a postcard on a particular subject to help your campaign.

## 14. Petitions

Petitions simply ask people to show their support to campaigns by signing a statement. This is a very quick campaign action which doesn't take much time or too much commitment. Once somebody has signed a petition, they might be more likely to do some of the other campaign actions listed on this sheet. A petition sheet will have more impact if you give it to someone responsible for taking action on the relevant campaign, like an MP or councillor. For example, the credit unions in West Cumbria took some leaflets and petitions out onto the streets of the town on a busy Saturday in December 2002.



## 15. Debt hearing

A Debt Hearing is an excellent way to bring the authentic voices of those affected by debt to the attention of the wider public. Those involved in planning and speaking at similar hearings on poverty have repeatedly said how powerful an experience it is to hear someone talking about the effects poverty has on them. There is no set way to organise a Hearing, but it needs careful preparation to ensure respect and dignity for people who may already feel vulnerable. More information is available in the DooD Action Pack available from: [www.church-poverty.org.uk/debt\\_action\\_pack.htm](http://www.church-poverty.org.uk/debt_action_pack.htm) or ordered from 0161 236 9321.

## 16. Write to your MP

Wherever you live in the United Kingdom you have a Member of Parliament (MP) who represents the interests of people in their constituency (the area they represent). You can write to your MP at the House of Commons, London SW1A 0AA. The support and response given by MP's to letters will often vary. To find out who your MP is, look at [www.locata.co.uk/commons](http://www.locata.co.uk/commons) or ring 0207 219 3000.

## 17. Meet your MP

It can be very effective to meet your MP in person. It is helpful to be clear about a couple of clear messages you want to impress on your MP. To make your case more forceful it is good to have some stories of debt and financial exclusion. MP's regularly have open surgeries in the area they represent where local people can bring along their concerns. You can also arrange to see your MP at the Westminster Parliament. You can find the contact details for your MP's local office in the Yellow Pages, under Political Organisations. Or you can ring the House of Commons on 020 72193000.

## 18. Parliamentary motions

A Parliamentary Motion is a way for MP's to show they support change on a particular issue. If a lot of MP's sign a motion the Government might be more likely to tackle the problems. One sort of motion is an Early Day Motion. Debt on our Doorstep has supported several of these motions, the most recent being EDM 257, which has the support of more than two hundred MP's. It often takes just one constituent to write to their MP, for the MP to support the motion.

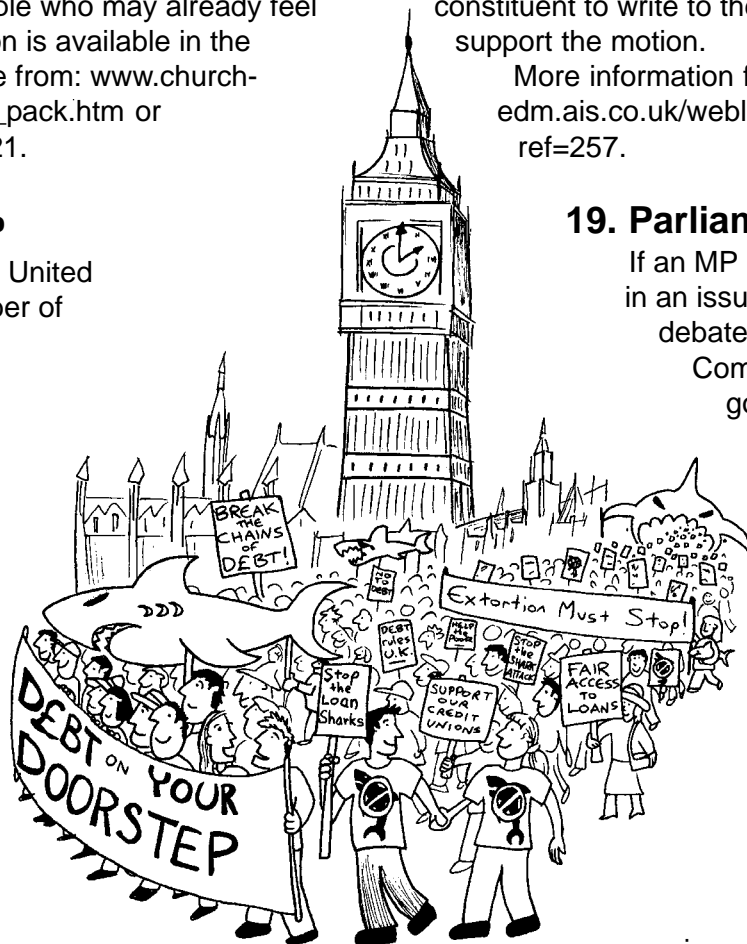
More information from: <http://edm.ais.co.uk/weblink/html/motion.html?ref=257>.

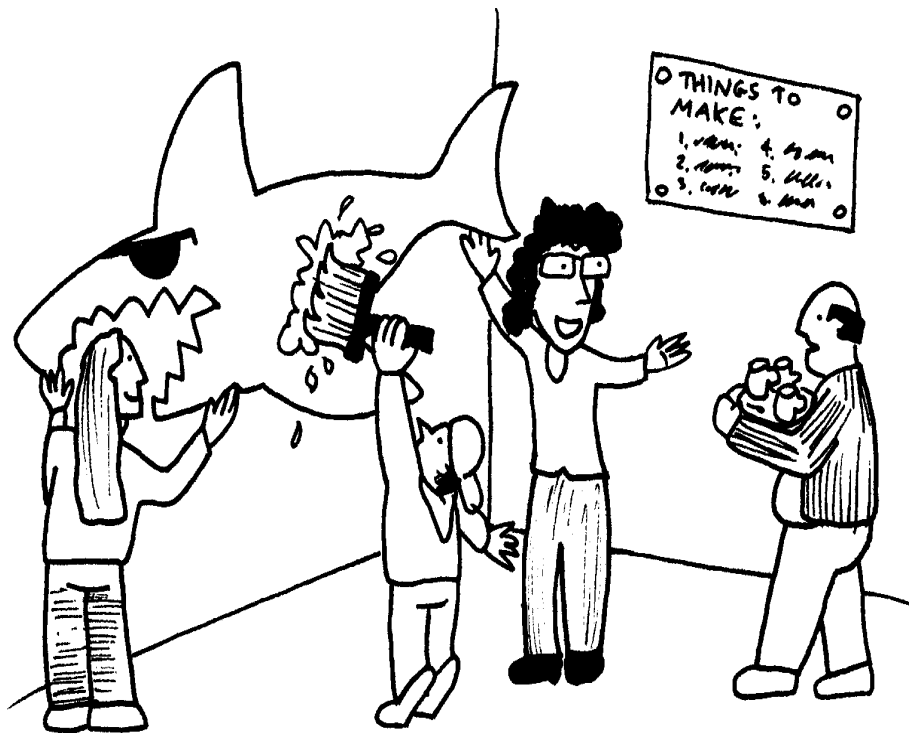
## 19. Parliamentary debates

If an MP is particularly interested in an issue they can try to have a debate in the House of Commons. A relevant government minister is obliged to attend, so it is a useful way of raising issues with the Government. You can encourage your MP to hold a debate on the issues of debt and financial exclusion by writing to them or meeting with them.

## 20. Talk to local decision makers

There are lots of people in your area who have a responsibility for taking action on expensive credit and financial exclusion. These include local councillors, council officials, local banks, the regional development agencies, jobcentre plus, and local lenders. Some of them might agree with you about the importance of the issues, but some need to be informed and reminded of the importance of financial exclusion and debt in your area. When talking to local decision makers, it helps to tell them some true debt stories, preferably local, and have some idea of what you think needs to change to tackle the problems.





## 21. Awareness raising with financial service providers

A difficulty faced by people experiencing debt and financial exclusion is the attitudes of other people, particularly the people who they deal with from financial services. Often this is down to simple naïve ignorance. Stereotypes and negative attitudes need to be challenged, and awareness raised of the pressures people operate under. It is particularly useful to work with magistrates, county court user groups, doctors, utility company staff, but people generally need help to understand the reality of experiencing financial exclusion and debt.

## 22. Mobilise churches, credit unions, and other groups

The easiest way to get support for your campaign is to talk to the people in any group you are already involved with. Often people are more likely to consider a campaign if it comes from somebody they already know. This could mean having a discussion on the issues, asking them to sign a petition, running a stall, distributing information to other contacts and many more of the ideas found on this sheet. Try to make the campaign action seem as easy and effective as possible.

## 23. Needs Assessment form

The Money Advice Trust and British Bankers Association have produced a Budget Form for a financial statement. This is a helpful list of all the possible outgoings, expenses and incomes an individual or family might have. It makes a useful campaign tool for people to fill in, as it reminds people that there are so many expenses to life, that debt is inevitable for those experiencing poverty. This backs up the scientific research of the Family Budget Unit who in 1998 calculated that a family on income support with two young children would be £32.29 short of what they need to survive on.

Budget Form available at [www.wiseradviser.org/cfs/](http://www.wiseradviser.org/cfs/)

More information about Family Budget Unit findings at [www.york.ac.uk/res/fbu/](http://www.york.ac.uk/res/fbu/)

## 24. Help to make extortionate credit unacceptable

There are many companies that profit from extortionate credit. These include Prudential and Cooperative Insurance. If you have a pension, write to your pension provider asking if they hold shares in any of the extortionate credit companies.

The UK Social Investment Forum may be able to help: [www.uksif.org](http://www.uksif.org), 020 7405 0040.

# 7 ways to understanding more about debt and financial exclusion

## 25. Campaign briefing pack

In 2001 Debt on our Doorstep produced a pack with briefings about extortionate and irresponsible lending, credit unions, the Social Fund, and debt recovery. This can be downloaded for free from [www.debt-on-our-doorstep.com/html/files/campaignpack.doc](http://www.debt-on-our-doorstep.com/html/files/campaignpack.doc) or ordered from 0161 236 9321.

## 26. Website

The Debt on our Doorstep website provides some information about our campaigns, briefings on the issues, links to other campaigns and organisations, and a discussion forum.

More information from [www.debt-on-our-doorstep.com](http://www.debt-on-our-doorstep.com)

## 27. Supporting organisations

There are many organisations which work on the debt and credit issues. They can provide information, advice and support.

More information from: [www.debt-on-our-doorstep.com](http://www.debt-on-our-doorstep.com)

## 28. Church pack

Merseyside & Region Church Action on Poverty have produced an excellent pack to help church groups understand, reflect and act on debt issues.

Available from: Liverpool J&P office, LACE, Croxteth Drive, Liverpool L17 1AA. Tel: 0151 522 1080.

## 29. Film & video

There are some videos available that look at the issues of debt and poverty. This might be a good way of beginning a group discussion. Here a few examples:

- “Poverty – It’s a crime” video available from Cedarwood Trust, 43 Avon Avenue, North Shields, NE29 7QT or 0191 2590245.
- “It’s a Wonderful Life” this classic 1940s film starring James Stewart, has some strong credit themes.

- “My Name is Joe” and “Raining Stones” both directed by Ken Loach both vividly show the consequences of debt spiralling out of control.

## 30. Reports

There are many reports available that will help you understand more about debt and financial exclusion, and what can be done to tackle the problems. A few of these are listed below – many have free summaries available.

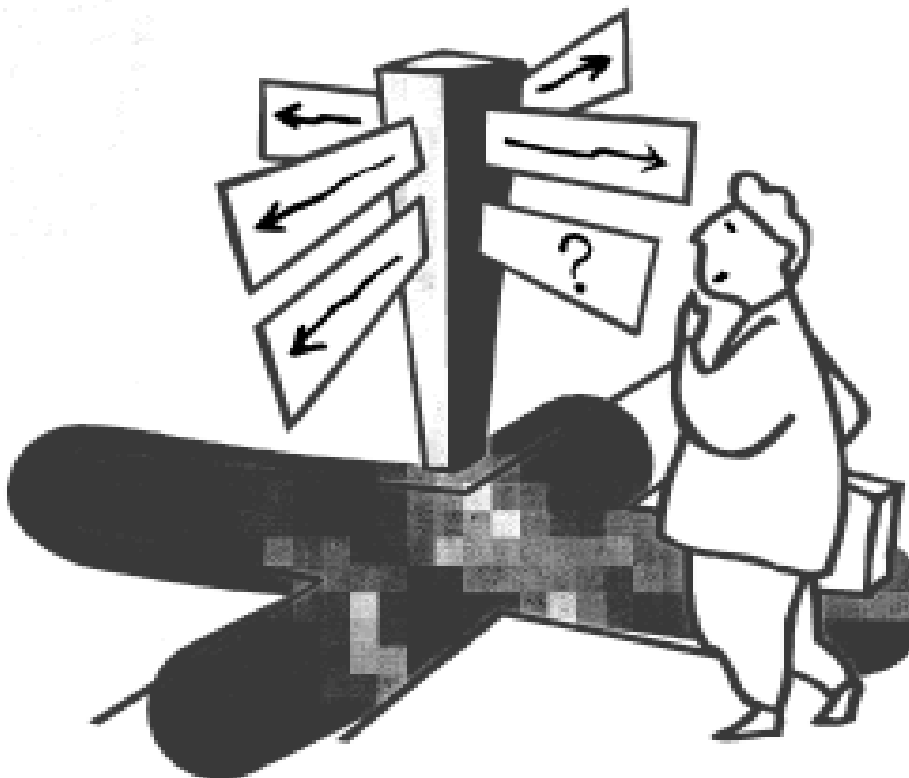
- Profiting from Poverty, 2002, New Economics Foundation, [www.neweconomics.org.uk](http://www.neweconomics.org.uk) or 0207 089 2800.
- Forgive us our Debts, 2002, Church Action on Poverty, [www.church-poverty.org.uk](http://www.church-poverty.org.uk) or 0161 236 9321.
- Financial literacy, empathy, understanding and research, 2001, Preston Road New Deal for Communities, [www.prndc.com](http://www.prndc.com) or 01482 719938.
- Access to credit on a low income, 2001, Furniture Resource Centre, 0151 702 0550.
- Out of pocket: How banking systems fail the poorest, 2000, Big Issue in the North, [www.bigissueinthenorth.com](http://www.bigissueinthenorth.com) or 0161 834 6300.
- Undue distress: CAB clients experience of bailiffs, 2000, Citizens Advice, [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) or 0207 833 2181.
- Access to Financial Services: Report of PAT 14, 1999, Social Exclusion Unit, [www.socialexclusionunit.gov.uk](http://www.socialexclusionunit.gov.uk) or 0207 944 5550.
- Kept out or opted out? Understanding and combating financial exclusion, 1999, Policy Press, [www.jrf.org.uk](http://www.jrf.org.uk) or 01904 629241.

There is a longer list in the DooD Action Pack available at [www.church-poverty.org.uk/debt\\_action\\_pack.htm](http://www.church-poverty.org.uk/debt_action_pack.htm) or telephone 0161 236 9321.

## 31. Drama, music and literature

Creative arts can help us think about debt and how it affects people.

- Many of Charles Dickens' books featured debt and the consequences. The most famous character is Ebenezer Scrooge from 'A Christmas Carol' but there is also Mr Micawber in 'David Copperfield'. 'Little Dorrit' which will have been influenced by Dickens' time in Marshalsea Debtors prison. There is a 2-part 1987 film of this, starring Derek Jacobi.
- There is a moving section in Frank McCourt's book 'Angela's Ashes' where he throws the dead lender's ledger into the river, and so cancelling all the debts.
- The charity, CAFOD, have produced an excellent drama sketch on debt entitled 'Borrowed Time'.
- The nursery rhyme 'Oranges and Lemons' is all about credit and repayment.
- The Guildhall Library have a large collection of pictures of unhappy debtors. You can search and view them from <http://collage.nhil.com/>
- Helix Arts can provide information about community artists in your area and how to get funding for them to do a project in your area. Contact 0191 510 9318, [info@helixarts.com](mailto:info@helixarts.com).



This report is based on a workshop run by Alan Thornton of Church Action on Poverty at the Debt on our Doorstep Lobby and Action day, 3 December 2002, in London and a DooD Planning Forum in Birmingham in April 2003. We would appreciate further ideas on how to tackle debt and financial exclusion – please email them to [dood@church-poverty.org.uk](mailto:dood@church-poverty.org.uk) or ring Alan on 0191 261 1026.

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