



Leeds Residents Financial Inclusion

Qualitative Research Summary Report

For University of Salford

May 2018



RESEARCH

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This research has been carried out in compliance with the International standard ISO 20252, (the International Standard for Market and Social research), The Market Research Society's Code of Conduct and UK Data Protection law

1. Introduction

Qa Research (Qa) undertook qualitative research as a follow up to the Financial Inclusion survey, for Leeds City Council.

The aim of the qualitative research was to provide more detailed insight into issues relating to financial management, including debt for Leeds residents. The research was intended to provide insight in to the journey to debt, the challenges it poses and what solutions or actions residents may have tried to undertake to alleviate their situations.

2. Methodology

Ten in-home interviews lasting up to an hour were carried out between 30 April and 3 May 2018 by researchers experienced in engaging with 'hard to reach' participants. A semi-structured interview guide was used to allow researchers to probe and explore details behind individual circumstances and views. All participants were given £40 cash as a 'thank you' for their time and contribution.

It was decided to target a total of 10 interviews, including a minimum of two of each of the following, targeted via their survey responses:

- 'financially excluded' = with no bank / building society account (Q4) or refused loan / credit (Q38)
- 'low resilience' = little or no savings (Q17)
- 'digitally excluded' = no access to internet (Q71)
- 'high cost form of credit (Q34)
- 'lone parent' (Q62)

In addition, out of the total of ten, a minimum of four workless households and four social housing tenants were to be recruited.

Survey respondents who had consented to being re-contacted for this further element of the research and who fitted the criteria were called and invited to take part. If interested, they then received a confirmation email and courtesy reminder call.

The table below shows the achieved sample. All participants had between one and four of the stated characteristics, with an average of two each.

Criteria	# participants
Financially excluded	2
Digitally excluded	3
High cost form of credit	2
Lone parent	3
Social housing	4
Workless household	6
Base	10

They faced a number of other challenging circumstances which, in some cases, contributed towards experiences of poverty, debt and difficulties in carrying out financial management. These included:

- Lone parent who had first child at aged 16, with no prior experience of running a household
- Romanian family employed on a low wage
- Ex-offender, (ex-) drug addict, with multiple mental health problems
- Lone parent with a child with learning difficulties and husband has had a recent stroke (in care)
- Person with multiple physical conditions, recently in hospital for several months, only short time to live, anxiety, (ex-) drinker, relies on carer

Please note that the results of qualitative research are not intended to and cannot be projected onto the overall Leeds population, due to the sample selection, interviewing methods and sample size.

3. Key findings

3.1 Income

3.1.1 Earned income

Around half of the participants derived part of their income from employment. Lone parents tended to work part-time, around 16 hours a week, but had to carefully calculate the costs of childcare when deciding what hours to work.

“I don’t know whether, with my childcare, if it will be worth me paying an actual, registered childminder, or otherwise it might not be worth my while going to work. I only earn £140 a week wage. Childcare would probably be £90 of that.” (Low resilience, lone parent)

Another parent reported that her partner worked full-time, but the income was paid directly to her, as she was better at managing finances. These incomes were paid directly into bank accounts. In some cases, this was mentioned as fortnightly; and weekly for others. Those who received them weekly welcomed the extra element of control it afforded.

“I would struggle more if it was monthly, as it is a bigger amount. It’s spacing it [spending].” (Low resilience, lone parent)

3.1.2 Income from benefits

Almost everybody interviewed was in receipt of housing benefit, yet not all thought to mention it spontaneously when asked about benefits. For many, it was not worthy of mention as the money went directly to landlords. In some cases, the individuals topped up their rent by an extra weekly amount.

Over half of the interviewees received either Child Tax Credit or Working Tax Credit or both. It was mentioned that these were paid into bank accounts; in some cases, weekly. Most of these same interviewees also received child benefit, though this tended to be paid monthly.

Income support was mentioned by two people, as was pension / pension credit and winter fuel allowance. Both pensioners received a main, monthly payment. Each also received a top-up of a smaller sum weekly, in one case, from a spouse's private pension.

Two individuals were in receipt of Employment Support Allowance, paid into bank accounts fortnightly. One of these also mentioned receiving PIP (formerly DLA). A third individual said they received DLA.

3.1.3 Effects of issues relating to benefits

Most people interviewed mentioned some kind of difficulty relating to benefits; these seemed to be attributable to various different issues.

Three people with health conditions had encountered difficulties with benefit claims. For two of these with long-term health problems, they had difficulties with their Personal Independence Payment (PIP) and/or ESA claims. In one case, they had previously received more money when in receipt of Disability Living Allowance (DLA) before the changeover to PIP. It seems as if part of the evidence backing the person's claim was missed and this has left them receiving less money than needed for personal support to go out of the house.

“When I went for a medical, they didn't get a form from the hospital – form DSI 500...they sign that to say you have limited life expectancy ... They haven't done that. I am waiting for a letter to come [hopeful for a change in the decision]...They do give me some [money]...I have help in the house (to go to the toilet) but it doesn't give me help when I am going out (to go to the toilet).” (Digitally excluded, social housing tenant, workless household)

Similarly, another person with multiple health conditions is waiting for an appeal about their unsuccessful PIP claim. They initially attended a hearing on their own, but feel they may have fared better if they had been accompanied by their support worker. Their ESA rates have also reduced recently. The individual identified that this may be because they were a recent prison-leaver and therefore started on a lower amount of ESA. The consequence of these shortfalls is that they are not able to turn their house into a home, something they have been wanting to do since leaving prison.

“My ESA – the rate has dropped recently. I am not sure what that was about. I need to look into that actually.” (Financially excluded, workless household)

“I had just got this house and I wanted to make it a home for myself and I can't until...” (Financially excluded, workless household)

One lone parent had experienced a difficult pregnancy and temporary health problems after the birth. At the doctor's suggestion, she tried to take time off work. The employer recommended that she should apply for ESA but would not pay sick pay. She wasn't successful with this and her tax credit stopped, forcing a return to work before she or her prematurely-born baby were ready.

“When I returned to work, I found it all a bit too stressful at first ... I ended up speaking to my doctor who suggested more time off. I was off for a total of five weeks. My employer refused to pay me sick pay, so I had to try to claim off the state – ESA [suggested by employer], applied for that, but refused. Then Tax Credit stopped my money, so I had no money, so had to go back to work...Everywhere refused to pay me...” (Low resilience, lone parent)

A more minor issue experienced by a small number was that of having received benefit overpayments (housing benefit, tax credit) with the subsequent challenge of paying back the unexpected amount owed.

For some interviewees, recent changes in circumstances also resulted in changes to their benefits, which were sometimes difficult to get used to. One woman started claiming certain benefits when her child was born and had to move out of her former home, as her ex received custody of two of the children. Another person, recently started back in work, has noticed that reduction in housing benefit is having a knock-on effect on her spending power.

“The only deduction is my housing benefits... My money is obviously a lot shorter now as I’ve got to pay my rent out of it so I’m not getting as much as I was, but it’s a bonus because I’m getting my working tax now.” (Financially excluded, lone parent, social housing tenant)

3.2 Money management

3.2.1 Approach to money management

Each of the ten individuals had their own, personalised approach to money management, as shown below.

Individual	Prioritising	Managing spending	Coping with variations	Illustrative quotations
(1) Low resilience, lone parent	Budgets with food, bills Tops up rent c. £120/month (rest paid byHB) Gas, electric TV license Water Mobile Internet / landline	Checks balance – telephone / ATM No saving receipts No noting spending on paper	More money when child benefit arrives → more expensive food shop, spend more on children	<i>“Some weeks, I have a bit more money than others, and try and do a bit more with the kids that week and get our most expensive food in, like meats. I do tend to freeze quite a lot – meat and bread if I have got it cheaper.”</i>
(2) High cost credit	Rent Council tax Phone Virgin Down list of importance Saving for wedding = lowest	Checks balance – online Same every month = autopilot No noting spending on paper		<i>“I hate spending money, the only places I spend money are Iceland and Asda if I can help it...trying to save for wedding so there are no days out or treats. It is hard when I have got this amount of people in my house [6]. I spend same amount every week and every month and I check my balance online, I'm always on it – it's the best thing ever.”</i>
(3) Low resilience, digitally excluded, social housing tenant, workless household	No council tax or rent to pay All bills Food shop	Checks balance – ATM, daily, with printout No saving receipts No noting spending on paper	Waits for largest payment to pay bills / do expensive food shop	<i>“When my big money goes in, son comes, we get a taxi, I do a big shop at Morrisons...I have a meat man comes to the door, once a fortnight, so my freezer is topped up full of meat.”</i> <i>“[Checking balance...] that way, you know what you are working with. I like to know what I have got, what I have spent...I like to keep on top of all that.”</i>
(4) Low income household	Only buys if has money in bank	Male participant - decides on expenditure for wife / whole household Keeps track of spending in head		<i>“Who manages the money?! My money coming in, my bank account. Then, my wife, when she wants something... We go together [to the shop].”</i>
(5) Financially excluded, lone parent, social housing tenant	Water – taken directly from benefits Shopping Gas Electric Something for son Anything left = take son out	No planning of / tracking spending Keeps receipts in case anything breaks Spends full amount available in bank account	Responds to what is available in account	<i>“I just go out, go do my shopping, gas, electric. Buy my son something new, that's it. Whatever I've got left, obviously I save for through the week, to take my son out.”</i> <i>“When I go to the bank, I don't leave nowt in there.”</i>

Individual	Prioritising	Managing spending	Coping with variations	Illustrative quotations
(6) Lone parent, workless household	Pre-payment / direct debits for most bills – gas, electric, water, tv £10/week rent Food shop fortnightly	Checks balance – ATM Writes down spending Direct debits give reassurance and consistency	Ensures enough in account for direct debits etc Small amounts of shopping weekly Bigger shop fortnightly	<i>“My shopping...I get bits out of the weekly money but I go and do my shopping fortnightly.”</i>
(7) Low resilience, digitally excluded, workless household	£10/week rent Gas, electric £5/week council tax Water Credit card Shopping £5 to ‘Studio’ Son pays for broadband	Checks balance – mobile banking (set up by son) Plans on paper Uses food in freezer first Direct debts for TV licence, phone, life insurance paid from account receiving late husband's pension	Plans on a weekly basis	<i>“I just work it all out, how much I've got to pay out this week...I have to monitor it all the time so I don't leave myself broke, I just write down everything and check my freezer”</i>
(8) Financially excluded, workless household	No rent to pay No other bills to pay (over past 10 years) Food Tobacco Alcohol (In past = drugs)	Family helps (mental health /learning? difficulties) Thinks he manages spending (unsure of details) Checks balance – ATM Withdraws amount needs, tries not to withdraw all		<i>“They help me a lot. Mum and sister are on the next street. They help me with my mental health. My sister was supposed to come to this (interview) because I struggle sometimes. I think I'm alright...If I didn't have them I would need a social worker – I just get too confused!”</i>
(9) Digitally excluded, social housing tenant, workless household	No rent to pay (HB) Electric Gas £70/ month – feels cold due to medical condition Shopping / tins Shopping / veg	Carer helps look after finances and takes shopping (affected by physical /cognitive issues) Rings CU to get balance	Food shopping (tins) monthly Other shopping more often	<i>“I get confused and I worry a lot...[she] goes through it with me...works it out”</i>
(10) High cost credit, workless household	Gas, electric Food Weekly visit to husband in hospital / care £60 Support aids for son with learning difficulties	Checks balance regularly – online banking Pre-pays gas and electric, paying extra when can	Gas, electric, support aids for son, monthly Big shop / kids clothes fortnightly Food shop, weekly	<i>“I have online banking which I check on my phone, I always know what I have got coming in and going out that way.”</i> <i>“We go on what we need... weekly money goes on food shopping, fortnightly on huge shop or clothes for kids, monthly DLA/child benefit not sure what I spend this on probably gas electric...have been buying signs for son step by step instructions.”</i>

3.2.2 Payment means for household bills

The majority of the interviewees disliked standing orders and direct debits due to the resulting perceived lack of control. For some, this was a general preference; but for several people, it was borne out of personal experience when direct debits had resulted in unauthorised overdraft charges.

“I think I have stopped them all. I feel like I have control of my own money.” (Low resilience, digitally excluded, social housing tenant, workless household)

“I don’t like them. If ever I don’t have the money in, my bank would pay it and then I will get charged.” (Low resilience, lone parent)

“I pay everything, I don’t like direct debits – I have been charged in the past... it was my fault.” (High cost credit)

“Sometimes bank will say you have money when you haven’t and it will let direct debits go out as well and it puts you into debt.” (High cost credit, workless household)

One individual disliked direct debits from high street banks, but was happy for such payments to come out of her Credit Union account (which couldn’t become overdrawn).

I don’t do it [direct debit]. In the past, when I was working, when I was younger, before I had my son, I was getting bills taken out you know for like contract phones and they took my full wages once. So after that, I cancelled it and cancelled all direct debits. I wouldn’t do it again.” (Financially excluded, lone parent, social housing tenant)

“[Credit Union] are the only people who I let my TV license and water to go through [direct debit payments] ‘cos I know they can’t take more with Credit Union ‘cos they’re not allowed.” (Financially excluded, lone parent, social housing tenant)

A minority of interviewees were happy to use direct debit (or standing order) for at least some of their regular payments – including for water, electricity, gas, phone, satellite or house insurance. For some of these people, the direct debits had been set up as part of a payment plan after falling in arrears.

Most interviewees used a mixture of payment means such as pre-pay via cards and paying for things as needed. Examples are as follows:

- Rent, paid by card (at the post office), variable amount according to what can be afforded
- Council tax, paid by card at the post office
- Gas and electric, on a pre-paid meter or fortnightly plan (at the corner shop, nearby)
- Water, paid by card, weekly (at the post office)
- TV, paid by card, weekly (at the post office)
- Mobile phone, pay as you go, minimal usage
- Internet and landline, paid over phone or by scanning barcode on card (at post office), variable amount according to what can be afforded

3.2.3 Payment means for goods and services

There was a roughly even split between people choosing cash exclusively and those using a mix of cash and debit card for buying goods and services. Only a couple of people chose to use debit card for all their goods and services.

3.2.4 Large or unexpected items of expenditure

For a minority of the interviewees, they had not experienced the need to unexpectedly pay for a large item. One person had no white goods to break down. A couple of people wondered how they would cope, thinking they would have to get a loan to be repaid weekly or ask friends or family to help out.

Most participants could identify a time when they had to pay for an unexpected item of expenditure. Approaches to this situation had differed:

- Hoover broken - preference for saving up until had enough money to replace the item; in the meantime, doing without or borrowing from nearby family
- TV broken – new one bought on contract, weekly repayments
- Dryer broken – new one bought from catalogue, monthly repayments over 12 months
- Washing machine broken – shared the cost with children's father
- Cooker, hoover, son's tablet broken – replacements bought from BrightHouse; plus some help from family member
- Fridge freezer broken – replacement bought for £100, went without (weed) for a week, then borrowed from mum

When considering expensive times of year, such as Christmas and birthdays, participants tended to set a (low) budget and spread the cost over several weeks or months in advance of the occasion. However, one individual could not afford to get anything for these occasions.

“Even if it was a birthday or Christmas, I try to do something so everybody is happy. Before their birthday I ask them what they want... [With] only me I'm working it's difficult.” (Low income household)

“I have my little girl's birthday in six weeks' time... I will start buying for hers. I have six more paydays till hers.” (Low resilience, lone parent)

“Mum has about three or four envelopes going for me at one point [to save money for buying presents].” (High cost credit, workless household)

3.2.5 Running out of cash

For most of the participants, they had experienced being short of cash frequently or even “*all the time*”. Others did not run out of cash but felt it a constant struggle “*living on the breadline*”. One person described how she was no longer short of cash as often as in the past when her husband had been working; she found it easier to manage with him not working (ill, in hospital) and her rental costs covered these days.

A few people reacted to being short of cash by doing without, or perhaps negotiating with providers to defer payments by a few days.

Some tended to rely on friends or family to borrow small amounts to tide them over; although one person mentioned taking out a doorstep loan with Pioneer, borrowing £130, paying back £221.

3.3 Banking and transaction services

Everybody interviewed currently had a bank account, although one person had been refused in the past. It was common for income / benefits to be paid into accounts and for bills to be paid from accounts.

A couple of individuals operated two bank accounts for different purposes:

- A general account; an account for the direct debits
- A general account with Halifax, with wages paid in; a savings account with Credit Union, with benefits paid in

A few people had deliberately set up a ‘simple’ account for themselves, including one that couldn’t become overdrawn; and by refusing to have credit cards.

“I don’t have credit cards, I would rather not. If you need something that much you save up. All it is is an easy statement – [carer] goes through it with me.” (Digitally excluded, social housing tenant, workless household)

However, in one case, a resident had restrictions placed on his account due to previous banking arrears or misdemeanours.

“Bank doesn’t even trust me with a debit card. I worked a way of fiddling my debit card, so I got it took off me.” (Financially excluded, workless household)

3.4 Saving

3.4.1 Means of saving

A few different means of saving were used by the interviewees, with most people adopting one or two of these:

- Receiving voucher with ‘points’ on Morrisons card once a year
- Putting change in a jar and / or tin
- Giving money to friend or family to look after
- Paying £5 weekly to ‘Studio’ as buffer for new items
- Pre-paying more money onto gas and electricity than needed
- Taking money out of bank and keeping it at home
- Leaving money in the bank, including general account or specific CU savings account

3.4.2 Reasons for saving

Some people saved for unexpected events or a ‘rainy day’. Some could barely manage to save but tried to put aside £5 for small treats like a bus-ride to the park, with ice creams. A few mentioned saving for special occasions, such as Christmas, a wedding or holiday.

3.4.3 Not saving

A couple of people never saved and felt they had no spare money to do so.

“Usually, by the time I have budgeted for everything, there is not much left in the pot.” (Low resilience, digitally excluded, social housing tenant, workless household)

3.5 Borrowing

3.5.1 Means of borrowing

The majority of people interviewed said they borrowed from family or friends – for some ‘occasionally’, for some ‘usually’. Small amounts, such as £10 and £20 were mentioned. These small amounts were typically repaid quickly, for example at next payday, although one person reported always owing money and another person did not intend to pay back the amounts borrowed.

Even though it could be acceptable to borrow from friends and family, for the majority, it was not as acceptable to borrow from other organisations. Exorbitant interest rates were cited as a reason not to do this.

“Things like that, you are paying over the odds when you pay them back...I looked at one. I thought they were getting too much in their pockets.” (Low resilience, digitally excluded, social housing tenant, workless household)

For those that did borrow from organisations, there were a range of sources:

- Credit Union loan / savings account
- Budgeting loan (from the government)
- Pioneer, Diamond, Morses Club (doorstep loan)
- Bright House

The Credit Union was popular for its favourable interest rates, compared to the high street. The budgeting loan was felt to be preferable to a payday loan as there was no interest and the loan could be repaid quickly.

“[Have used doorstep loans]...I’ve learnt from all that, really. That’s why now I just use the budgeting loan, I know they take quite a bit out of your money but it gets it paid back quicker as well so you can use it again plus also there’s no interest and you know where you are. It’s automatically coming out of your benefits, you’re budgeting for that. To be honest I think the budgeting loan is a really good way to do it” (Lone parent, workless household)

The users of Pioneer, Diamond and Morses Club were regular, satisfied customers, going back years. They did not intend stopping using these providers. For one person, she only borrows what she can afford to repay; and prefers this to asking her family. For another, she knows the interest charges are high but sticks with this method, even though she also has a little-used Credit Union account.

“When I pay this off I’m going to get a loan to get a new cooker because I don’t want to be asking my family for that money” (Low resilience, digitally excluded, workless household)

“I pay [Morses] over the phone and Diamond is a direct debit – I can’t remember what it was for, a little top up at Christmas? – it is a lot of interest...I don’t like to look at that.” (High cost credit)

3.5.2 Reasons for borrowing

Reasons for borrowing have been covered in section 3.2.4 on large and unexpected items of expenditure.

3.5.3 Not borrowing

A minority of the interviewees did not borrow at all. In one case, this was through choice, preferring not to owe money; in another case, the person was not able to borrow.

*“I tend to try not to borrow money...I would rather not put myself in that position, because then when it came to payday I would already be like £20 down...I wouldn’t borrow if I couldn’t afford to pay it back.”
(Low resilience, lone parent)*

“My credit rating would be the lowest you have ever seen.” (Financially excluded, workless household)

3.6 Profile of debt

Each of the ten individuals had their own stories relating to their journeys into (and out of debt), as shown below. Only three of them (numbers 3, 5, 9) were not currently in debt.

Individual	Current debt / arrears (in priority order)	Journey to debt	Actions taken	Illustrative quotations
(1) Low resilience, lone parent	Rent paid direct to landlord when not working, now due Council tax c. £200 currently Water, debt originally £338	5 weeks not working (postnatal illness), no ESA / tax credits From few years ago when first managing a household, age 16, tended to ignore letters Built up over long period	Paying back now, prompted by support from friend – in debt Has been paying for years, spoken to LCC, hoping for payment plan Phoned in response to letter ('letters stressful...did not want to end in court'). They helpful in agreeing payment plan £3 weekly Relieved is now calling companies to discuss debt, set up payment plans	<i>"When I got my first home, and I was on benefits then, I wasn't too sure how it all worked – bills... When I started working, when first baby was 3 or 4, I didn't understand. Parents hadn't shown me, so I just kept getting letters and kept letting it go over my head. I kept getting more and more letters and thought, I am going to have to sort it out."</i> (Low resilience, lone parent) <i>"It was quite easy. I just arranged it over the phone and they sent a card out through the post. They seemed to help me. She said – that's absolutely fine [offer to pay £3/week]. It just stopped it going over to legal... If ever my wage went up and I could afford £2 more I would get straight on the phone."</i> (Low resilience, lone parent)
(2) High cost credit	Council tax – 'owing quite a lot' Others – not worried		Council approached her, set up payment plan	<i>"It was stressful I just didn't pay it, [council tax] but I do now, but I wouldn't be able to pay any more."</i>
(3) Low resilience, digitally excluded, social housing tenant, workless household	No current debt, learnt from past experience Past high bank overdraft £1000+	Bank gave her overdraft facility £1150. Could not repay.	Bank 'helpful' invited her in, set up payment plan, reduced interest, took one year to repay. Then bank set up no overdraft on her account	<i>"I wouldn't [stick head in sand]. I just like everything peace of mind, everything paid."</i>
(4) Low income household	Few times a year for each... Council tax Rent Water		Contacts them all to reach agreement	<i>"I know all the time what is coming in, and I know what is my priority. I try to satisfy everybody. I come into the water £400 - I can't pay one time I ring the water company 'please, I want to pay direct debit £10 weekly, OK?'"</i>
(5) Financially excluded, lone parent, social housing tenant	No current debt Past water			

Individual	Current debt / arrears (in priority order)	Circumstances leading to debt	Actions taken	Illustrative quotations
(6) Lone parent, workless household	Council tax (ex-partner's debt) Gas, electric	He couldn't work, she gave him money for bills, he didn't pay them Rent higher than expected when first split from partner	Deductions coming out of benefits (+ has budgeting loan) – 'fine now, know where I stand' Payment plan now on (for few years) covers arrears and current bills Past unhelpful responses when contacted debtors herself Past – an organisation offered to contact her debtors, but would take half repayments for themselves	"I learnt from my mistakes [previous debt] and I don't want to end up there anymore. I'm pretty controlled over that sort of thing now."
(7) Low resilience, digitally excluded, workless household	Council tax	Difficulty managing bills when husband died 18 hours work not sufficient income, but too many hours to get benefits to help	Previously to court, got fine and community service in charity shop – did not tell family. After...talked to council, payment plan £5 weekly	"It was bad but you have to do these things don't you? It all went downhill after my husband died. It took me a while to pick myself back up. He used to pay everything."
(8) Financially excluded, workless household	Council tax – 'they can send you to prison' Water Loans Unpaid fines	All debts – leaving prison, physical health, mental health, (former)drug use, learning difficulties?, benefit sanctions and/or benefit appeal pending re: ESA / PIP	Gets letters – 'hassle', threats of court action. Not worried about bailiffs as no possessions	"If I have all this debt, I can have bailiffs come round. Right now it is not an issue because I don't own anything – just two sets of clothes." "I am waiting for my benefit appeal. I keep going back to it, but it is important for me to be able to have a normal life."
(9) Digitally excluded, social housing tenant, workless household	No debts – would worry			
(10) High cost credit, workless household	Rent Council tax	Both debts – husband recent stroke, child with SEND, self mental health problems	Payment plan in place now – 'fairly helpful'	

3.7 Advice and support services

3.7.1 Credit Union

A small minority of participants were not at all aware of the Leeds Credit Union.

Around half of all the participants were somewhat aware of the credit union and its services. Three people would not consider using it because:

- They weren't 'desperate' enough; don't know enough about them
- They had heard bad things from a friend about problems with his ID number and therefore with accessing money
- It was believed to be run by the Provident – she had borrowed from them and ended up with high interest and an abusive caller at her door

Almost half of the participants were aware and were members (or had attempted to be members) of the credit union. Some had heard about the credit union from family who were members, others had known for years (via a pack or card), while some who could no longer access other types of accounts were referred from St Anne's. Members had used the credit union for loans, for saving and for a current account.

Benefits of the credit union were identified as the prevention of direct debits, the Christmas club and the personal service possible, even for people excluded from high street banks.

"Your money can't get taken from your account by other people without their consent. They don't allow direct debits." (Financially excluded, lone parent, social housing tenant)

"Very personal [service]... I don't look like a normal working bloke. I look like a criminal, yeah? That's how I would be portrayed if I walked in a bank. Credit Union isn't like that...If you go in and talk to them, they won't charge you and let you catch up with payments. Big banks don't do that." (Digitally excluded, social housing tenant, workless household)

Negative features relating to the credit union were identified as high charges on loans, lack of clarity about refusing a loan, money not being as freely accessible as if from an ATM.

"I've taken out a loan with them and they pretty much charge double back. That's not good; they didn't tell me that at the start." (Financially excluded, lone parent, social housing tenant)

"If you're in the credit union you've got to wait until 9 o'clock and go to wherever there's a credit union." (Lone parent, workless household)

A final suggestion is for the credit union to ensure two monthly payments are received before allowing a loan.

"They let you get a £100 loan after you have had two payments in. I would make it after two months' payments – to cover their backs – make sure they are going to stay with the bank." (Digitally excluded, social housing tenant, workless household)

3.7.2 Other services

Everybody was aware at least some of the long list of services. Just under half of all the participants had not sought or received help from any on the list. One person explained that they preferred to sort things by themselves. Services that had been heard of were:

- Citizens Advice
- Discretionary housing payments
- Foodbanks
- Jobcentre Plus
- Leeds Council Tax Support
- Leeds Local Welfare
- National debt line
- Social worker

“...happy that I have sorted it out myself. I would rather not share my problems.” (Low resilience, lone parent)

Several services had been used, with positive results:

- Citizens Advice – helpful re ex and custody / to advice on benefits eligibility, provided list of landlords / accommodation / solicitors
- Discretionary housing benefit – in past, during custody battle / came to her when she was in trouble, helped with form ‘very nice to work with’
- Food bank - 3 or 4 times a month, referred by church / used when splitting up with ex / for food and washing power (via support worker)
- Leeds Council Tax Support – approached the participant / good experience after calling them
- Leeds Local Welfare – a washing machine / help with benefits appeal
- Social worker – re baby / for baby due to mum’s history of drug use, child under 12-month supervision order
- Solicitor – for custody battle
- Step Change – put all debts together, sorted on phone with support worker
- Support worker
- St George’s Crypt – used medical rooms few days a week
- St Vincent’s

“[Social worker]...absolutely fantastic now to be fair, bit scary at first. When I gave birth I thought they might be whipping him away. It was a trust thing at first, and now I’ve got absolute trust in social workers.” (Lone parent, workless household)

“[Foodbank] ...The people were lovely. [Benefit...] being able to eat; I was starving hungry.” (Financially excluded, workless household)

The only service that had been used, with mixed experiences, was Job Centre Plus. One person felt JCP hadn’t sought sufficient medical evidence when looking at a benefit claim; another had received conflicting information about income support, following the birth of her baby.

3.8 Digital technology

3.8.1 Access and use of internet, digital devices

The majority of the group interviewed had internet access at home, though for some this was on their phones only. Some people found using the internet easy; others used it more minimally and found it difficult.

Those that were heavier users of the internet undertook the following activities online:

- Browsing
- Emails
- Games - children
- Listening to music
- Shopping
- Social media
- Watching films
- WhatsApp
- Work

Lighter, less confident users of the internet tended to use it for only one or two activities, such as:

- Emails
- Light use of social media – mainly looking, not contributing

3.8.2 Use of digital devices for money management

A few people reported using telephone banking only; and a few used online banking – for checking balances and transferring money.

3.8.3 Not using digital devices for money management

Among the people consulted, around one half of them did not use digital devices at all for money management. They were not interested, found their current methods worked well and, for some people, the digital methods seemed confusing.

“It would put more stress on it[using digital methods]. I know where I am and know where I stand [the way I do it now]. I don’t want to get an app and start putting everything in there and it telling me I can’t afford this and that.” (Low resilience, lone parent)

“Too confusing for me – phones and apps and that....I know where I am with everything.” (Low resilience, digitally excluded, social housing tenant, workless household)

“It is hard enough for me to do what I am used to without learning even more newer stuff.”(Digitally excluded, social housing tenant, workless household)

3.9 Suggestions

3.9.1 Suggestions to prevent people falling into debt

There were a number of suggestions offered about how to prevent people falling into debt.

Firstly, some believed it was down to personal responsibility, but acknowledged that people may need help to face up to money worries.

“It is up to each individual, really, to watch what they are doing, how they are spending their money, controlling it.” (Low resilience, digitally excluded, social housing tenant, workless household)

“[Support organisation to...]...help me not to bury my head in the sand, help me to talk to people, because talking to people helps.” (Low resilience, digitally excluded, workless household)

Banks should not offer overdrafts so readily or should suggest removing overdraft facilities more often.

“When I couldn’t get out of my overdraft – when the bank helped by putting a stop and knowing that you can’t get overdrawn – that was fantastic! I think it would stop an awful lot of people [getting into trouble] if they did that.” (Low resilience, digitally excluded, social housing tenant, workless household)

The welfare system should not allow people to receive over-payments of benefits as this can lead to later debt.

“Monitor housing benefit and council tax over-payments so that we’re not losing money off our benefits and in future have to pay for the loss of housing benefit.” (Lone parent, workless household)

Loan companies should be more tightly controlled to prevent them from luring people into taking out loans they will not be able to afford to pay back.

“And also monitor payday loans, loan companies because people get into debt and then can’t afford to pay it back or the benefits are going to paying the money back.” (Lone parent, workless household)

3.9.2 Suggestions to help people address existing debt

There were a couple of suggestions about how people could be helped to address existing debt.

A couple of tenants suggested that, for rent arrears, it would be preferable for the council to come up with a realistic payment plan for the tenant, rather than demanding the full amount.

“If you owe the housing money, make sure the payments are realistic to the tenant, but also realistic to the council to get the money back. Spread it out over longer period of time.” (Digitally excluded, social housing tenant, workless household)

“If you miss a payment should tell you you have to pay like £3 or £4 extra a week instead of the full payment.” (Financially excluded, lone parent, social housing tenant)

It was suggested that if you were already in debt, the credit union should not add to this by charging interest.

“Credit Union could stop taking fivers off your money every week. It is no good. That will make you in more debt coz they are taking money they shouldn’t be taking.” (Financially excluded, lone parent, social housing tenant)

4. Appendix – interview guide

Depth interview script

NOTE

This script provides a guide for the research and wherever possible the interviewer will seek to keep questions in order. However, feedback from the interviewee may lead to having to adjust the nature of the questions and the sequence of questioning.

INTERVIEWER WILL EXPLORE REASONS 'WHY' BEHIND ANSWERS GIVEN

[import details wen get interview booking]	[add any directions if you want]
[Add details of which car booked]	

Section 1 Introduction and background mins 5

Researcher to introduce themselves. Thanks for participating. Recap Qa is independent.

Explain nature of interview:

- Commissioned by Leeds City Council help them develop financial services and advice which will be easier for local people to access
- Comments are anonymous and confidential
- No right or wrong answers
- Audio – is that ok?
- Last an hour
- You'll receive £40 as a thank you

To begin with it would be useful if you could just introduce yourself and tell me a bit about you:

Prompt: capture the following

- Name and who's at home with you in family
- Length of time lived in area
- What do you do for a living, or hobbies
- What other household members do
- Any recent changes in circumstances for household – people, employment, income, benefit – with effects

Section 2 Welfare Reform mins 6

What benefits, if any, do you claim at the moment?

[See survey responses, Q76]

Over the last few years, have there been changes to amounts or types of benefits you receive?

There have been a number of changes in benefits over the past few years. Have any of the following affected you or people in your household? What have been the consequences for you and your family?

- Reduction in benefits, bedroom tax and reduction in housing benefit due to non-dependent (e.g. relative or friend aged 18 or over) living with claimant
- There has also been an increase in the application of benefit sanctions due to claimants not meeting increased conditionality associated with benefits
- Stricter checks and criteria for disability benefits
- Plans for working age claimants of means-tested benefits and tax credits will also eventually be moved on to Universal Credit, administered online (difficult for many with limited digital skills), paid in arrears (putting more requirements for planning spending) and stricter conditionality (potentially increasing likelihood of claimants having benefits cut due to sanctions). (Universal credit has not been fully rolled out in Leeds so few will be claiming universal credit.)

Section 3 General approach to money management and budgeting **6 mins**

What is the source of income for you and the adults in the household?
[See survey responses Q65, 75, 76]

- Benefits – as already described in section 2
- Salary
- Pension
- Other

How is this income paid?

- Into bank account
- Cash
- Monthly
- Weekly
- Ad hoc

Who in the household manages the money? On own / jointly?

What do you do if different people in the household have different spending priorities?
How do you resolve this? Can you give examples?

Can you talk me through or show me what you do once you have been paid?

- Do you plan your spending? Paper? App? Some other way?
- Is money split / allocated to different individuals
- If so, how (have a budget, allocate cash to different pots/envelopes, (pre)pay most important bills, do big food shop)?

(If you do not plan your spending, is there a reason why not?)

- Not convinced it is worthwhile
- Do not have enough money to do this
- Not sure about how to go about it
- Things work out without having to do this)

How do you pay regular bills and expenses? We are thinking of rent, council tax, utility bills, TV / satellite, phone / broadband, mobile etc.

- Cash
- Cheque
- standing order/direct debit
- Prepayment cards
- Different methods for different bills – how do you decide?

How do you generally pay for goods and services?

- Cash
- Card
- Mobile

Do you monitor your spending in any way? How do you do this?

- write down what you spend
- keep receipts
- check bank statements/online banking

Do you keep track of how much you have left? How do you do this? If not, why not?

- count cash
- check balance on cash machine

Have you had a large unexpected expense lately (e.g. cooker breaking down, tax bill etc.)?

- What happened?
- How did you cover that expense (e.g. borrowed, given money, drew on savings, claimed on insurance/product protection etc.)
- How would you cope, what would you do if this did happen

How do you normally pay for large and expected expenses such as Christmas and birthdays?

- Borrow
- Save
- Pay in advance

Do you ever find that you're short of cash?

What would you do in those circumstances?

- Borrow – from whom?

- Use savings
- Go without – what?

How does being short of cash affect your family life?

Section 4 Banking and transaction services 6 mins

[See survey responses Q4, 5, 6, 7, 8, 9, 10]

Bank account

Do you have a bank account? If not, why not?

- Don't have necessary ID
- Don't see the need
- Worried about charges
- Have tried, but unsuccessful – what happened?

Do you use your account for any of these activities – why / why not?

- Receiving income / benefits
- Paying bills
- Checking balance
- Planning spending

Section 5 Saving 6 mins

[See survey responses Q16, 17, 18, 19, 20, 21, 22, 23]

Do you or your household save in any way or put money aside for a later date? How? These ways or something else?

- credit union
- bank account
- Christmas club
- Via catalogue
- informal savings groups
- with a friend
- jar
- Overpaying prepayment meter / fuel bills in summer months

What type of things do you save for (e.g. expected events, emergencies, holidays, school uniform, birthdays etc.)?

If not, why don't you save?

- not enough money
- not sure how

Section 6 Borrowing mins

6

[See survey responses Q32, 33, 34, 35, 36 37]

Do you ever borrow money? If so, who from?

- Bank
- Credit union
- Friends
- Family
- home credit company (Provident / Provvy)
- Rent-to-buy providers (Brighthouse, Perfect Home)
- Payday lenders
- Catalogue credit
- Logbook loan
- Pawnbroker

What do you tend to borrow for (e.g. holidays, food and essentials, electrical or white goods etc.)?

Would you choose to borrow from a different lender for different purposes? (e.g. friends for essential items, home credit for holiday etc.)

Do you pay interest on these borrowings? Including to friends and family?

Have there been any changes in your borrowing habits over the last few years?

- Source
- What for
- Amount
- How (any online / apps)
- Reasons for changes

Section 7 Debt mins

6

[See survey responses Q40, 41, 42, 43, 44, 45, 46]]

Do you ever fall behind on regular payments and bills?

- What are the main reasons for falling behind (e.g. unforeseen events, change in circumstances, too little income etc.)?
- How often does this tend to be?
- Can you tell me about when this happened recently?

If in difficulties, how do you prioritise what to pay?

- What would be the most important bills for you to pay - phone, utility, water, rent, loan repayment, council tax etc.
- Which are less of a priority?

- How do you decide? Why is that (e.g. prospect of being disconnected, most aggressive collector, comes to door etc.)?

What have been the consequences of falling behind with any bills or payments?

- What actions have the people you owe money taken (e.g. repossession of goods/property etc.)?
- How has this affected you and your family?

What actions have you taken as a result of being in debt?

- contact debt advice agency
- contact person/organisation you owe money to

What was the outcome?

- negotiated payment plan
- written off
- bankruptcy/debt relief order

Section 8 Credit Union, other local services mins

6

Have you heard of credit unions, in general, and the Leeds Credit Union in particular?
[May have already been mentioned in sections on saving and borrowing, above.]

- What do you know about them / it?
- Do you like the sound of them / it? Why / why not?
- Can you remember – how did you hear about them / it?

Have you considered being a member of one?

- Why / why not?
- If yes – what attracted you to joining?
- If not – what puts you off joining? What else would you have to know about them to consider it?

If you have experience of using /being a member of a credit union, which services have you used?

- Have you taken out loans?
- Have you saved with them? Is this to cover living costs, emergencies or special times of year like Christmas and holidays?
- Have you used a bank account with them? Your only one? One for household bills?

Based on experience, what are the plus points about the credit union?

- Have there been personal benefits for you? Increased income/savings? Reduced debts?

Based on experience, what are the negative points?

- Can you suggest improvements?

There are other places (services) people go in Leeds for support and advice about their finances.

Leeds Local Welfare Support Scheme
Leeds Council Tax Support Scheme/ help from the council to pay your council tax
Discretionary Housing Payment/ help from the council to pay your rent
Citizen Advice Leeds
Citizens Advice Chapeltown
Moneybuddies
Foodbanks
Money Information Centre
Leeds City Council Welfare Rights Unit
Better Leeds Communities
Ebor Gardens
St Vincents Support centre
Illegal money lending team
Job Centre Plus
Bank
Building Society
Financial advisor
Social worker
Solicitor
Credit Union
Place of worship
Family member or friends
National Debt Line
StepChange
Money Advice Service (telephone or web advice)

Which of these were you aware of in terms of offering support or financial advice?

Have you used any of these? And, what were your experiences?

- What sort of help or advice were you looking for?
- Did you approach them and get the help face to face, or some other way?
- What was the service like that you received?

Have you used anywhere else?

Based on experience, what were the plus points about the service(s)?

- Have there been personal benefits for you? Increased income/savings? Reduced debts?

Based on experience, what were the negative points?

- Can you suggest improvements?

Section 9 Digital inclusion and use of technology
mins

6

[See survey responses Q71, 72, 73]

Do you have internet access at home? If not, why not (e.g. cost, no need, no interest)?

Do you own any smartphones, tablets, laptops and/or computers?

- What do you use them for?
- Do you use for social media, listening to music, watching films, playing games, shopping, emailing, filling in forms, internet browsing

Do you use your smartphone or other devices in managing your money?

- Use any online/mobile banking to transfer money, pay bills and check balance.
- Use budgeting or similar apps to keep track of spending.

If not using tech for money management, what are the main reasons why not?

- cost/data use
- control
- prefer to operate in cash
- don't know how

Was there anything else you wanted to say about anything we've discussed today before we finish?

Thank you very much for your time today
*** Issue Incentive, take signature ***
Move on to optional vox pops