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Women's Regional Consortium

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Consortium for the Regional Support for Women in Disadvantaged and Rural Areas

Women Living with Debt

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wsn WOMEN'S SUPPORT NETWORK

TWN

Women's Centre Derry ACCESS & EMPOWERMENT

WOMEN'S TEC

Women's Resource & Development Agency Supporting Women's Groups & Networks across Northern Ireland

NIRWN Northern Ireland Rural Women's Network

Foyle Women's Information Network

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Executive Summary

This paper examines the research on current levels of personal debt and the vulnerability of those on the lowest incomes to debt. The overall aim of this research project is to explore the experiences of women – living and working in disadvantaged and rural areas of Northern Ireland – on why they need to borrow, the types of credit they use, the impact of external factors such as the Covid pandemic, changes to social security policy and low pay as well as the personal impacts of living with debt.

A substantial body of research points to a growing problem of unmanageable debt across the UK. In Northern Ireland there are concerns that levels of problem debt could be even worse due to existing vulnerabilities within the population. Women are particularly vulnerable to debt as their incomes are generally lower as a result of reduced working hours, precarious working patterns and the impact of caring responsibilities. This reduced income can leave them more likely to have to borrow often for essential items. For some groups of women, such as single parents, the likelihood of being in debt is even greater.

Vulnerability to debt is higher for low income households. These households are more at risk of income shocks and have a greater likelihood of having difficulty repaying their debts. Welfare reform and austerity measures have impacted on the amount of social security benefits that people have to live on. These changes have called into question the ability of the social security system to provide a safety net against poverty and allow people to afford the essentials of life without needing to access debt. The introduction of Universal Credit, in particular problems with the five-week wait, have driven food bank use, financial hardship and encouraged debt. While work is often lauded by Government as a route out of poverty and financial hardship it is clear that many working households who are in low-paid work are also struggling to make ends meet leaving them more vulnerable to debt.

The Covid pandemic has had a significant impact on the incomes of many people. Job losses and reductions in working hours due to lockdowns and Government imposed restrictions have meant that many people have got into debt or further into debt as a result. The pandemic has worsened many existing inequalities and the situation for women and those on the lowest incomes. Many will continue to struggle as Government supports are withdrawn leading to an increased potential for spiralling debts.

The cost of living crisis which has followed the pandemic has seen soaring costs for the essentials especially food and energy bills. This is most concerning for the poorest households who spend a higher proportion of their incomes on these essentials. The cost of living crunch will add significant pressure on the already stretched budgets of low-income families increasing poverty and their vulnerability to debt.

High-cost credit products are often used by those on the lowest incomes in order to access credit. Many of these borrowers have limited options to access cheaper forms of credit because of their low income. This forces them to use these high interest products to buy essential goods and larger purchases that they otherwise could not afford. Some of the most vulnerable borrowers are forced into using illegal lending or loan sharking because of a more urgent need for money. In Northern Ireland this type of lending is often linked to paramilitary groups bringing with it even greater levels of fear and secrecy.

Research shows that people living with problem debt are significantly more likely to experience mental health problems. Being in problem debt has therefore serious implications for the wellbeing and mental health of people. This not only places a heavy burden on the individual and their families but over the long term can result in increased pressure on other sectors such as the health service which has to deal with the impact of debt on people's emotional and physical health and wellbeing.

This research paper sought the views and experiences of women about debt and its impact on their lives through a series of focus group sessions, questionnaires and individual interviews. The results of this research clearly show that debt was a feature of the lives of many of the women. For the vast majority their debts were taken out to meet essential costs and ordinary household bills. With little or no savings many of the women struggled to pay for unexpected expenditure or to cover the costs of Christmas or birthdays and therefore had to borrow to meet these costs.

Women used a range of borrowing, much of it high-cost credit, as well as a significant amount of informal borrowing from family/friends. Their choice of lender was most often driven by the knowledge that they would be able to get the money and that it was convenient and easy to apply. Some of the women reported borrowing from illegal lenders mostly as a result of a more desperate need for money for essential expenditure. Repaying the high interest rates from both legal and illegal high-cost lenders put significant pressure on women's budgets and often led to a cycle of debt that they found it hard to escape from.

Most of the women were struggling to meet their debt repayments and some felt their debts had worsened due to the Covid pandemic. The vast majority of the women felt their debts had been negatively impacted by increases in the cost of food and energy bills. Increases in the cost of living were the issue most commonly reported as impacting on their debts and on their ability to make ends meet more generally.

The links between debt and mental health were very evident in discussions with the women. Most reported that their debts had negatively impacted on their mental health and wellbeing more generally. They also discussed how debt had impacted on their children and the guilt they felt about not being able to provide for them. Being in debt placed severe restrictions on women's ability to do anything except the basics. There were numerous reports of women going without food, heat and clothes to make sure their children had what they needed.

Discussions with women laid bare the fact that living on social security benefits or in low paid work simply does not provide sufficient income to afford the essentials and meet basic household bills. This was particularly evident for lone parent families. Those on Universal Credit faced hardship during the five-week wait and were forced into additional debt through Advance Payments with many struggling to afford to repay this loan.

Repaying this and other Government debt from their social security benefits meant that many were living on very low amounts of money causing hardship.

Research combined with discussions with local women has helped to build a picture of a developing crisis for these women and their families. Rising prices for essentials, cuts to social security benefits, the impacts of a pandemic and issues with precarious and low-paid work means many struggle to survive on low incomes and are vulnerable to problem debt. This points to a need for concerted action across Government departments to tackle the issues of poverty, growing levels of problem debt, low pay and insecure work and the inability of the social security system to provide a sufficient standard of living.

There is a need for investment in the social security system to ensure that it can provide an adequate safeguard against poverty and debt. This must include an increase in the levels of benefits to keep pace with the cost of living as well as changes to Universal Credit and investment in Discretionary Support. Action must be taken to protect people on the lowest incomes from the harsh impacts of repaying Government debts and Government must increase the support and protections available to those who have been most financially impacted by the Covid pandemic. Locally, important reviews into Discretionary Support and Welfare Mitigations as well as work on the Social Inclusion Strategies could help to provide some respite for people here. The recommendations from these Reviews and Strategies must provide an important focus for action from local politicians.

Government must work in a number of areas to help alleviate problem debt. There is a need for a long-term, targeted approach to help those on social security benefits and in low-paid work to cope with the cost of living crisis. The fact that these rising costs affect everyday essentials and are likely to last for some time into the future requires urgent and focused action to avoid even more serious debt problems.

The women's experiences in this research highlighted the need for greater access to affordable credit for those on the lowest incomes so that they can avoid high-cost credit and problem debt especially for the most essential items. Alongside this, adequate funding must be made available to ensure the provision of good quality, independent and free debt advice to ensure those in problem debt get help to reduce the burden of debt. There is also a need for action to ensure that people with mental health problems are provided with the help and support they need to deal with their debts especially in light of the impact of the pandemic.

Women living with debt were clear about what needed to change in order to help with their financial situation and debts. They stressed the need for increased incomes through social security benefits and in low-paid work so that they could afford to put food on the table, heat their homes and provide for their children and families with dignity.

1. Introduction

1.1 Background

In 2012 the DSD (now DfC) in partnership with the DARD (now DAERA) launched a programme aimed at providing regional support for women in 'areas of greatest need' across Northern Ireland, defined as disadvantaged and rural areas.[1] More precisely, the programme sought to 'serve the needs of marginalised and isolated women'[2] in these areas by enabling them 'to tackle disadvantage and fulfil their potential in overcoming the barriers that give rise to their marginalisation, experience of poverty and exclusion.'[3] The Women's Regional Consortium is funded under this programme.

The **Women's Regional Consortium** consists of seven established women's sector organisations that are committed to working in partnership with each other, government, statutory organisations and women's organisations, centres and groups in disadvantaged and rural areas, to ensure that organisations working for women are given the best possible support in the work they do in tackling disadvantage and social exclusion.[4] The seven groups are as follows:

- ♀ Training for Women Network (TWN) – Project lead
- ♀ Women's Resource and Development Agency (WRDA)
- ♀ Women's Support Network (WSN)
- ♀ Northern Ireland's Rural Women's Network (NIRWN)
- ♀ Women's TEC
- ♀ Women's Centre Derry

[1] Review of government funding for women's groups and organisations, DSD/OFMDFM, August 2012, p32 https://www.communities-ni.gov.uk/sites/default/files/publications/ofmdfm_dev/review-report-funding-for-womens-groups-organisations-june-12.pdf
[2] Ibid, p41
[3] Joint Policy Statement, Programme for Regional Support for Women in Disadvantaged Areas and Rural Areas, DSD/DARD, June 2012, p5
https://www.communities-ni.gov.uk/publications/joint-policy-statement-programme-regional-support-women-disadvantaged-areas
[4] The remaining paragraphs in this section represent the official description of the Consortium's work, as agreed and authored by its seven partner organisations.

- ♀ Foyle Women's Information Network (FWIN)

The Consortium is the established link and strategic partner between government and statutory agencies and women in disadvantaged and rural areas, including all groups, centres and organisations delivering essential frontline services, advice and support. The Consortium ensures that there is a continuous two-way flow of information between government and the sector. It also ensures that organisations/centres and groups are made aware of consultations, government planning and policy implementation. In turn, the Consortium ascertains the views, needs and aspirations of women in disadvantaged and rural areas and takes these views forward to influence policy development and future government planning, which ultimately results in the empowerment of local women in disadvantaged and rurally isolated communities.

"Women have the power to change the way society works and how services are shaped. It happens when they are supported to step into the process with the confidence to tell their stories and demand action from those who make decisions." [5]

This research follows and updates previous research produced by the Consortium in February 2020[6] which found that the majority of the participants in the research had needed to borrow money much of it for essential items and to make ends meet.

1.2 Overall aim and objectives

The overall aim of this research project is to explore the experiences of women – living and working in disadvantaged and rural areas of Northern Ireland – on the types of credit they are having to use, the issues facing them in dealing with this debt, their ability to access the supports available, the impact of external factors such as the Covid pandemic and changes to social security policy as well as the personal impacts of living

[5] Women at the Heart of Public Consultation, A guide for Public Authorities and Women's Organisations, WRDA, November 2017
https://wrda.net/wp-content/uploads/2018/10/WRDA_WomenAtTheHeartOfPublicConsultation.pdf
[6] Making Ends Meet: Women's Perspectives on Access to Lending, Women's Regional Consortium, February 2020
https://womensregionalconsortiumni.org.uk/wp-content/uploads/2021/04/Making-Ends-Meet-Womens-Perspectives-on-Access-to-Lending.pdf

with debt. Based on the research findings a series of recommendations was formulated for policy makers.

1.3 Methodology

The project employed a mixed methodological approach, combining a literature review with focus group, questionnaire engagement and individual interviews to capture the experiences and views of women living and working in areas of greatest need. Seven focus group sessions were held in November and December 2021 and in January 2022 with 62 women attending across Northern Ireland. In addition, a further 13 short individual interviews were carried out as the basis for case studies and more in-depth analysis of the issues. Questionnaires were completed by 57 women providing further information about the type of debt, reasons for borrowing and its impact on their lives.

It must be noted that there is still considerable stigma around being in debt and for many people it can be very difficult to talk about their debts. There are often issues of pride and embarrassment at not being able to make ends meet and for some women there is fear that being in debt could be viewed as being unable to look after their children properly. This has implications for the number of participants involved in the research and why the numbers involved are relatively small.

1.4 Acknowledgements

The Women's Regional Consortium wishes to thank:

- The individual women who took part in this research for their personal contributions. Debt and money worries are often not easy issues to discuss and we want to sincerely thank them for sharing their experiences so honestly.
- The staff of the Women's Centres and our Consortium partners for their contribution and for helping to organise focus group sessions and facilitate contacts with individual women. It would be impossible to do this work without their time, effort and support.

2. Framing the research

Debt is a fact of life for many people and families and arguably never more so than now. There was already a debt crisis before the Covid pandemic struck and the resulting job losses, reductions in income and insecure employment will mean that many people will have little or nothing to fall back on in these difficult economic times. Added to this increases in the cost of living particularly for essentials such as food and energy and changes to social security benefits put substantial pressure on already stretched household budgets. Many people particularly those on low incomes with little or no savings will have no other option than to borrow money often for essential items.

Increasing levels of debt give cause for concern not only in terms of the ability of people to manage these debts but also for the negative impacts on their health and wellbeing and the impact on local economies.

2.1 Levels of Personal Debt

People in the UK owed £1,805.7 billion at the end of June 2022 up by £62.5 billion from the end of June 2021, an extra £1,181.21 per UK adult over the year. The average total debt per household, including mortgages, was £64,970 and per adult was £34,140. The Office for Budget Responsibility have forecast that household debt of all types is forecast to rise from £2,019 billion in 2020 to £2,447 billion in 2025 making the average household debt £85,906.[7]

2.2 Debt and vulnerability to debt in Northern Ireland

In terms of debt levels Northern Ireland does not fare well compared to other regions. Research by the Financial Conduct Authority (FCA)[8] has shown that personal debt in Northern Ireland (excluding mortgages) is higher than any other part of the UK. Figures for unsecured debt show adults in Northern Ireland owe £3,990 on average and adults with debts owe £10,730 on average. This compares to £3,320 and £9,570,

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[7] The Money Statistics, The Money Charity, August 2022 https://themoneycharity.org.uk/money-statistics/august-2022/

[8] The financial lives of consumers across the UK, Key findings from the FCA's Financial Lives Survey 2017, Financial Conduct Authority, June 2018 Updated January 2020 https://www.fca.org.uk/publication/research/financial-lives-consumers-across-uk.pdf

respectively, for all UK adults. Debt advice charity Christians Against Poverty (CAP) report that the average debt for their clients in Northern Ireland is one of the highest of the UK nations at £18,239. 79% of the total debt makeup is owed to non-priority creditors, which is notably more than the 57% owed by CAP clients across the UK as a whole.[9]

The financial circumstances of the Northern Ireland population (pre-pandemic) also give cause for concern. FCA research[10] shows that fewer adults in Northern Ireland have a savings account (52% compared to 59% in the UK) and fewer have any investment product (23% compared to 29% in the UK). In Northern Ireland 12% of adults have no savings or investments while 60% have savings and investments of less than £10,000 (compared to 49% in the UK). A greater proportion of people in Northern Ireland (56%) are considered potentially vulnerable due to their financial circumstances (compared to the UK average of 50%). 8% of adults in Northern Ireland said they could cover their living expenses for less than a week if they lost their main source of household income and 20% reported being over-indebted, both of which are characteristics of potential vulnerability. Money and Pensions Service figures show that even before the pandemic 11% of people in Northern Ireland were using credit for everyday essentials such as food or bills.[11]

An analysis of the Northern Ireland Life and Times (NILT) survey[12] looked at the extent of financial hardship both before and after the first Covid-19 lockdown. 7% of respondents reported experiencing a lot of financial hardship in the two years previous to Covid-19 increasing to 10% of respondents since the first Covid-19 lockdown.

[9] On the edge, Client report, Christians Against Poverty, June 2022
Client_Report_2022_On_the_edge.pdf (capuk.org)
[10] The financial lives of consumers across the UK, Key findings from the FCA's Financial Lives Survey 2017, Financial Conduct Authority, June 2018 Updated January 2020
https://www.fca.org.uk/publication/research/financial-lives-consumers-across-uk.pdf
[11] Building Northern Ireland's financial wellbeing after Covid-19: the story so far, Money & Pensions Service, November 2020
Building-Northern-Irelands-financial-wellbeing-after-Covid-19.pdf (moneyandpensionsservice.org.uk)
[12] The Other Division in Northern Ireland: public attitudes to poverty, economic hardship and social security, ARK, May 2022
update146.pdf (ark.ac.uk)

Women were more likely to report financial hardship in the two years before Covid (36.3% compared to 26.9%) and since the first lockdown (27.8% compared to 24.3%). Respondents to the survey reported that the most common means of dealing with financial hardship were to borrow from friends/family (44.6%), increase credit card debt (26.6%) and borrow from a bank or Credit Union (14.9%).

Pointing to the financial fragility of many Northern Ireland households the NILT survey found that a quarter of households could not afford to pay an unexpected £500 bill[13] and the Northern Ireland Family Resources Survey found that 36% of households in Northern Ireland have no savings.[14]

During 2021, Advice NI's debt service advised 3,809 clients and dealt with over £19million in debt.[15] Advice NI reports that clients continue to struggle against increasing financial pressure, with low income and over commitment being the main causes of problem debt. Many clients who approach Advice NI's debt service for help have no savings or life insurance in place. Their advisers have also experienced an increase in clients dealing with addiction and gambling problems, which greatly increases the financial pressure on them.

2.3 Women, Poverty and Debt

Borrowing and debt is far from gender neutral. Women are more likely than men to claim social security benefits, more likely to be in low-paid, part-time and insecure work, more likely to be providing care for children/family members and more likely to have to make up for cuts to services through unpaid work. As women's incomes are generally lower over their lifetimes this leaves them more vulnerable to short-term financial problems or income shocks making them more likely to have to rely on borrowing and debt to make ends meet.

[13] Ibid
[14] The Family Resources Survey for Northern Ireland 2019-2020 (communities-ni.gov.uk)
[15] Debt, Business Debt and Specialist Support Services 2021, Advice NI News, December 2021 https://www.adviceni.net/about/news/debt-business-debt-and-specialist-support-services-2021

There are clear links between poverty, credit and debt. Latest poverty figures in Northern Ireland[16] show that the family type at the highest risk of poverty was single parents at 34% (and most single parents are women). UK research into poverty by the Joseph Rowntree Foundation[17] found that poverty is rising slightly faster among older women than older men. Since 2013/14 when pensioner poverty started rising again, the rise has been from 14% to 20% for women. It also shows that among working age disabled women the poverty rate is double (36%) what it is among those who are not disabled and that informal carers (who are more likely to be women) are more likely to be in poverty (24%) than those without caring responsibilities (21%).

Pre-pandemic Office for National Statistics (ONS) data[18] shows that women are consistently more vulnerable to poverty and debt. 35% of women and 29% of men reported it was a struggle to keep up with bills some or most of the time, 26% of women and 23% of men said they ran out of money by the end of the month and 29% of women and 25% of men said they would not be able to make ends meet for a month or less if they lost their main source of income.

Women have lower financial wellbeing, have fewer retirement plans and smaller pension pots than men as well as being less likely to save regularly (56%) compared to men (63%).[19] More women (52%) have never put their money into an investment product compared to 37% of men.[20]

[16] Households Below Average Income: Northern Ireland 2019/20, NISRA & DfC, August 2021 https://www.communities-ni.gov.uk/system/files/publications/communities/hbai-2019-20.pdf
[17] UK Poverty 2022, Joseph Rowntree Foundation, January 2022 https://www.jrf.org.uk/report/uk-poverty-2022
[18] Early indicator estimates from the Wealth and Assets Survey: Bills and Credit Commitments, ONS, August 2020
Early indicator estimates from the Wealth and Assets Survey: Bills and Credit Commitments - Office for National Statistics (ons.gov.uk)
[19] Gender and Financial Wellbeing Challenge Pack, Money and Pensions Service, March 2020
Microsoft Word - Cross-cutting theme - Gender and Financial Wellbeing - Briefing Pack_5.0.docx (singlefinancialguidancebody.org.uk)
[20] Ibid

Research by the Financial Conduct Authority shows that there are certain types of credit that women are more likely to own. These are mostly retail finance products such as store cards (18% of women compared with 10% of men), catalogue credit (18% compared with 7%) and high cost loans (13% compared with 8%).[21] Looking at catalogue credit alone women are nearly three times as likely as men to own this type of credit.

Locally, research by the Women's Regional Consortium[22] on women's access to lending in Northern Ireland showed that 87% of the women involved in the research had needed to borrow money in the last three years much of it for essential items or to make ends meet. Many had little or no savings and no ability to save due to low income or living on benefits. It also found that many had resorted to high-cost lending and difficulty meeting their debt repayments was a common problem.

Even in earlier research with women in Northern Ireland[23] debt was already a way of life and a vicious circle from which they felt they could not escape. The majority of interviewees in this research stated that once in debt, the pressures of providing what they considered the basics for their children and families inevitably led them into borrowing even more money in order to survive.

2.3.1 Single parents, Poverty and Debt

Single parents are more likely to be impacted by poverty, financial hardship and debt. In Northern Ireland the majority of single parent households are headed by a woman

[21] Gender, personal finances and Covid-19, FCA Article, May 2021 https://www.fca.org.uk/insight/gender-personal-finances-and-covid-19

[22] Making Ends Meet: Women's Perspectives on Access to Lending, Women's Regional Consortium, February 2020 Making-Ends-Meet-Womens-Perspectives-on-Access-to-Lending.pdf (womensregionalconsortiumni.org.uk)

[23] Beneath the Surface, Women telling their stories about debt and credit, Your Money Garden Financial Education Project, November 2010 (no link available)

(91%).[24] Research by the Joseph Rowntree Foundation[25] has found that single parents are by far the most likely of any family type to be struggling with poverty. Further research by the Joseph Rowntree Foundation[26] shows that the risk of living in very deep poverty has increased by a third for people in lone-parent families, to reach 19% or 900,000 people.

Gingerbread research[27] shows that pre-Covid 13% of single parents were in severe problem debt compared to 5% of couple parents and 4% of single adults. This research found that 82% of single parents in problem debt cited 'not enough income to meet living costs' as a reason for using credit – they were almost twice as likely to cite this than any other reason.

Debt advice agencies also report that single parents may be particularly vulnerable to debt as they are more likely to be in low-paid and part-time work as well as disproportionately impacted by welfare reform and increases in the cost of living. StepChange reports that women who received debt advice in 2021 were more likely to be from single parent households (35%) and by comparison only 8% of men seeking advice were from single parent households.[28] In Northern Ireland Christians Against Poverty (CAP) reported that 27% of their clients were single parents (25% of which were single mothers).[29]

[24] Census 2011 – Key Statistics for Gender, Northern Ireland Assembly Research and Information Service, September 2014
Census 2011 – Key Statistics for Gender (niassembly.gov.uk)
[25] UK Poverty 2022, Joseph Rowntree Foundation, January 2022
https://www.jrf.org.uk/report/uk-poverty-2022
[26] Going without: deepening poverty in the UK, Joseph Rowntree Foundation, July 2022
Going without: deepening poverty in the UK | JRF
[27] The single parent debt trap, Gingerbread, February 2021
https://www.gingerbread.org.uk/wp-content/uploads/2021/02/The-single-parent-debt-trap_web.pdf
[28] Statistics Yearbook, January – December 2021, StepChange
StepChange-Statistics-Yearbook-2021.pdf
[29] Client Report, Christians Against Poverty, April 2019
Client-Report-2019-NI-WebDP.pdf (capuk.org)

2.3.2 International Concerns

The economic rights of citizens are outlined in a number of international human rights treaties such as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW),[30] the International Covenant on Economic, Social and Cultural Rights (ICESCR)[31] and in the Universal Declaration of Human Rights[32] itself. These treaties have outlined the rights of people to have an adequate standard of living to allow for their health and wellbeing and to afford the essentials of life including food, clothing and housing whether that be through work or access to social security.

In addition, CEDAW has raised concerns about austerity measures. Following its recent examination of the UK, the CEDAW Committee raised concerns about the impact of austerity measures on women.[33] The Committee is concerned about the "*disproportionately negative impact of austerity measures on women, who constitute the vast majority of single parents and are more likely to be engaged in informal, temporary or precarious employment*."

UN Security Council Resolution 1325 (UN SCR 1325)[34] under its Protection and Prevention pillars outlines the need to meet the specific needs of women in post-conflict settings including the adequate funding of services.

These important international human rights agreements work to provide protections from poverty and financial hardship caused by insufficient income to afford the essentials to live a decent, healthy life. It is clear that many existing systems such as the social security system and the prevalence of low-paid, precarious work do not protect people from poverty and in many cases create or encourage the necessity for borrowing and debt especially for women.

[30] Articles 11 and 13 https://www.ohchr.org/EN/ProfessionalInterest/Pages/CEDAW.aspx
[31] Articles 7, 9 and 11 https://www.ohchr.org/en/professionalinterest/pages/cescr.aspx
[32] Article 25 https://www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf
[33] Concluding Observations on the eighth periodic report of United Kingdom of Great Britain and Northern Ireland, CEDAW/C/GBR/CO/8, March 2019 (para 17) https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=CEDAW/C/GBR/CO/8%20&Lang=En
[34] https://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/1325(2000)

2.4 Living on a Low Income and Debt

Low income households are the most vulnerable to debt and often have to use borrowing to meet everyday expenditure. Living on a low income means a limited ability to save with the result that these households are vulnerable to income shocks which increases the likelihood of falling into problem debt. Low income households are also more likely to struggle to repay their debts and are more vulnerable to falling into a cycle of debt that they may find difficult or impossible to escape from.

Research by the Joseph Rowntree Foundation[35] shows that 3.8 million (33%) low-income households across the UK are in arrears and 4.4 million (38%) have had to take on new or increased borrowing through the pandemic. Essential bills make up the majority of low-income households' arrears. Joseph Rowntree estimate that arrears currently stand at £5.2 billion across the UK with £3.4 billion coming from household bills like rent, council tax and utilities and £1.8 billion from personal borrowing arrears.

Resolution Foundation research has also shown that despite a decade of falling interest rates the burden of debt remains substantially higher for low-income households.[36] It showed that the proportion of low-income households using some form of consumer credit rose by 9 percentage points between 2006/08 and 2016/19 which is a far steeper rise than the 1 percentage point rise among high-income households. Worryingly this has been concentrated in products with high interest rates. Credit card use among low-income households grew by 13 percentage points in the same period and the use of overdrafts grew by 4 percentage points.

[35] Dragged down by debt: Millions of low-income households pulled under by arrears while living costs rise, Joseph Rowntree Foundation Briefing, October 2021
Dragged down by debt: Millions of low-income households pulled under by arrears while living costs rise | JRF

[36] An outstanding balance? Inequalities in the use – and burden – of consumer credit in the UK, Resolution Foundation, January 2020
https://www.resolutionfoundation.org/publications/an-outstanding-balance/

Further research by the Joseph Rowntree Foundation[37] has shown that at the end of May and early June 2022, 4.6 million low-income households (40%) were in arrears on at least one type of bill or have fallen behind on their borrowing repayments. This is an increase of a fifth (21%) since October 2021. The research found that around £22 billion is owed by low-income families, and of that £22 billion, those who report having taken on more lending in 2022 (43% of low-income households), owe a total of £12.5 billion.

Low-income households are more likely to have to rely on high-cost credit as they are often unable to access cheaper forms of borrowing due to their low-income and/or other debts. This leaves these households vulnerable to exploitation and the likelihood of problem debt. Research conducted by Advice NI on behalf of the Consumer Council[38] in Northern Ireland has highlighted that one of the themes around illegal lending is low income and lack of access to mainstream credit. Their research found that illegal lending is easily accessible, can escalate quickly leading to unmanageable debt and many clients are at the mercy of the illegal lender in terms of interest, charges and final amounts.

2.5 The Social Security System and Debt

The safety net provided by the social security system has been weakened by a decade of welfare reform changes meaning that many people are unable to meet the costs of essential items such as food, heat and clothing and are unable to cope with unexpected life events such as a washing machine breaking down. This often means they are forced into debt as a result. Polling by StepChange shows that over half those in problem debt (54%) receive support through the social security system[39] and 43% of those receiving social security support have used credit to pay for essentials which is a key risk factor in

[37] Not heating, eating or meeting bills: managing a cost of living crisis on a low income, Joseph Rowntree Foundation, June 2022
Not heating, eating or meeting bills: managing a cost of living crisis on a low income | JRF
[38] Illegal Lending – The Human Story, Advice NI, September 2019
https://www.adviceni.net/policy/publications/illegal-lending-human-story
[39] Problem Debt and the Social Security System, StepChange, January 2020
social-security-mini-brief-report.pdf (stepchange.org)

developing debt problems. This is indicative of a social security system which no longer provides adequate support to those on the lowest incomes.

2.5.1 Universal Credit

There is substantial evidence that Universal Credit, and in particular problems with the five-week wait at the start of a Universal Credit claim, are causing widespread financial hardship, debt and increased reliance on food banks. Latest poverty figures from the Joseph Rowntree Foundation[40] show that the likelihood of being in poverty while in receipt of social security benefits has increased over time. More than half (54%) of families supported by Universal Credit (or equivalent legacy benefits) are living in poverty with 43% of households in receipt of Universal Credit being food insecure. This research also highlighted the Universal Credit five-week wait as one of the elements of the benefits system that increases poverty.

Research by the Trussell Trust[41] has concluded that the minimum five-week wait for Universal Credit has led to acute and immediate financial hardship and worsened households' longer-term financial resilience. This included signs of indebtedness (multiple debts, high-risk loans, suspended utilities). Locally, research by the Joseph Rowntree Foundation[42] in Northern Ireland found that participants unanimously associated the early stages of a Universal Credit claim with financial hardship and usually debt. Participants in this research found it hard to recover from the financial hardship that the five-week wait caused and described ongoing difficulties linked to reduced Universal Credit payments because of repaying Advance Payments and other historical debts. They described a 'domino effect' as debt led to more debt and aggravated mental health problems as people struggled to meet essential needs.

[40] UK Poverty 2022, Joseph Rowntree Foundation, January 2022
https://www.jrf.org.uk/report/uk-poverty-2022

[41] #5WeeksTooLong, Why we need to end the wait for Universal Credit, The Trussell Trust, September 2019
PolicyReport_Final_ForWeb.pdf (trusselltrust.org)

[42] Universal Credit could be a lifeline in Northern Ireland, but it must be designed with people who use it, Ruth Patrick and Mark Simpson, with UC:Us, Joseph Rowntree Foundation, June 2020
https://www.jrf.org.uk/report/universal-credit-could-be-lifeline-northern-ireland-it-must-be-designed-people-who-use-it

A report by Gingerbread[43] shows that 58% of single parents affected by the five-week wait had to go without or cut back on food with 21% saying their children had to do the same. Gingerbread also found that 57% of single parents said that Universal Credit had made it harder for them to budget with only 14% saying it had made it easier.

StepChange research[44] shows that a quarter of people who receive Universal Credit are facing very serious debt problems. This figure is three times the rate in the general population (8%) and 11% more than those receiving legacy benefits (14%). Two thirds of StepChange clients say being on Universal Credit has made it harder for them to budget and manage their financial situation.

2.5.2 Discretionary Support

Changes to the Social Fund as a result of welfare reform have meant that there is less help available through the social security system for those with extreme, exceptional or crisis situations. Since the Social Fund has been replaced by Discretionary Support (DS) there has been a weakening of this safety net for the most vulnerable borrowers meaning that it no longer provides the support it once did. Restrictive eligibility conditions including an income threshold and limits on the number and amount of debt a person can have through DS have reduced expenditure on these awards.

A Northern Ireland Audit Office (NIAO) report[45] showed that between 2014-15 and 2017-18, the number of grants and loans awarded has declined from 115,000 to 47,000, a reduction of 60%. As a result, annual expenditure has also reduced from £27 million in 2014-15 to £11 million in 2017-18. The Department for Communities explained that the reduction is due to the criteria for loans and grants becoming more stringent. These restrictions have the potential to push more people into the path of expensive lenders.

[43] The single parent debt trap, Gingerbread, February 2021
https://www.gingerbread.org.uk/wp-content/uploads/2021/02/The-single-parent-debt-trap_web.pdf
[44] Problem Debt and the Social Security System, StepChange, January 2020
social-security-mini-brief-report.pdf (stepchange.org)
[45] Welfare Reforms in Northern Ireland, Northern Ireland Audit Office, January 2019
Welfare Reform Report 2019.pdf (niauditoffice.gov.uk)

An independent Review into DS[46] found that DS is critically important and should be protected stating: *"the need for DS is likely to increase because too many individuals are unable to meet their essential needs from the income they receive through social security benefits or employment and so they remain at high risk of destitution."*

2.5.3 Repayment of Government Debts

The repayment of Government debt is a significant issue for many social security claimants. Research by the Lloyds Bank Foundation[47] has warned that unfair deductions from Universal Credit are leaving more than two million people unable to afford basic necessities and driving them further into debt. 44% of Universal Credit claimants are having money deducted to pay debts with an average of £78 deducted from their monthly Universal Credit payments. The most common deductions are Advance Payments and historic Tax Credit overpayments.

A Trussell Trust report has shown that almost half of all households at food banks during the pandemic are repaying debts to the Government. The Trussell Trust state that it is now more common for people arriving at food banks to owe debt to the Government than to private lenders or family and friends.[48] Their figures show that 47% of households using their food banks owed money to the Department of Work and Pensions (DWP) due to loans and overpayment of benefits. This compares to 37% at the start of the year before the pandemic hit. They also found that 73% of people receiving Universal Credit were repaying an Advance Payment when they visited a food bank despite clearly being unable to afford the essentials. This figure is up from 51% before the pandemic.

StepChange research[49] has also found that excessive deductions from social security payments to repay debt are compounding debt problems. Over half (54%) of their clients

[46] Independent Review of Discretionary Support, Department for Communities, February 2022
https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-independent-review-of-discretionary-support-22.pdf
[47] Deductions: Driver of Poverty, Lloyds Bank Foundation, May 2022
deductionsreport.pdf (lloydsbankfoundation.org.uk)
[48] Lift the Burden, Tackling the Government Debts facing people at Food Banks, The Trussell Trust, December 2020
Lift-the-burden-Dec-20.pdf (trusselltrust.org)
[49] Problem Debt and the Social Security System, StepChange, January 2020

who receive Universal Credit have at least one deduction in place compared to 36% of those receiving legacy benefits. This reflects a higher likelihood that those receiving Universal Credit will be repaying an Advance Payment or a Tax Credit overpayment. 40% of their clients had two or more deductions in place and 15% had three or more.

Local figures available through a Northern Ireland Assembly Written Question[50] show that there were 121,083 Universal Credit statements of award during January 2021 and 33,684 of these statements (27.8%) had deductions applied to the award (including for example Tax Credit or other benefit overpayments, repayable loans and third party deductions).

Research by the Joseph Rowntree Foundation[51] found that problem debt and arrears on bills was common among those experiencing destitution and the debts mainly pre-dated the Covid pandemic. These debts were largely 'public sector' debts owed to the DWP, local authorities and utility companies. Recently published research by the Joseph Rowntree Foundation[52] has found that benefit deductions are making life difficult for the worst off 40% of households causing them to go without essentials and food. It found that households with deductions are at least twice as likely to be in arrears compared to households without a deduction. Joseph Rowntree have called on the Government to stop deducting benefits at unaffordable rates and at higher rates than it expects for other creditors.

social-security-mini-brief-report.pdf (stepchange.org)

[50] AQW15195/17-22 asked by Gerry Carroll MLA
AIMS Portal (niassembly.gov.uk)

[51] Destitution in the UK 2020, Joseph Rowntree Foundation, December 2020
Destitution in the UK 2020 | JRF

[52] Not heating, eating or meeting bills: managing a cost of living crisis on a low income, Joseph Rowntree Foundation, June 2022
Not heating, eating or meeting bills: managing a cost of living crisis on a low income | JRF

2.5.4 Welfare Reform Mitigations

In Northern Ireland there is a package of mitigation measures[53] in place to mitigate against the worst impacts of welfare reform. This includes mitigations for the Benefit Cap and the Bedroom Tax as well as help with Universal Credit through the Contingency Fund. While these mitigations are important in helping protect people from poverty, financial hardship and debt there has been an underspend. A Northern Ireland Audit Office report[54] highlighted that uptake was below estimates and that uptake of the Contingency Fund was low *"which may suggest difficulties in accessing these payments, a lack of awareness or an overestimation of need."*

The Cliff Edge Coalition NI[55] has campaigned for an extension of the existing mitigations as well as a strengthening of the mitigations package to take account of new challenges that people now face such as the two-child limit, Universal Credit and problems within the private rented sector. Following a commitment in the New Decade, New Approach agreement the Communities Minister announced the appointment of an Independent Advisory Panel to review the existing welfare mitigations and identify the need for a future mitigations package[56]. Further strengthening the mitigations package has the potential to provide stronger protections for people from getting into debt or making their existing debt situation worse.

2.6 The impact of Covid and Cost of Living on Financial Wellbeing and Debt

A decade of austerity and welfare reform changes has meant that many families were already struggling to make ends meet. The onset of the Covid pandemic means that these families and many more will face new challenges. Significant job losses, reductions

[53] Welfare Reform Mitigations Working Group Report, January 2016 https://www.executiveoffice-ni.gov.uk/sites/default/files/publications/ofmdfm/welfare-reform-mitigations-working-group-report.pdf

[54] Welfare Reforms in Northern Ireland, Northern Ireland Audit Office, 17 January 2019 https://www.niauditoffice.gov.uk/sites/niao/files/media-files/Welfare%20Reform%20Report%202019.pdf

[55] The Cliff Edge Coalition NI is a group of over 100 organisations from across Northern Ireland who came together to express concerns about the end of welfare reform mitigations in March 2020 and to campaign for their strengthening. The Women's Support Network is a member of the Coalition's Working Group.

[56] http://www.communities-ni.gov.uk/news/communities-minister-hargey-commissions-welfare-mitigations-review

in income due to reduced working hours and increasing household bills as a result of lockdowns and rises in the cost of living mean that many people will have little or nothing to fall back on during this unprecedented crisis. Those on low incomes with few or no savings may have no other option than to borrow money as a result. These families often struggle to manage their debts and are vulnerable to spiralling into long-term, problem debt.

Research by the Financial Conduct Authority[57] shows the impact of Covid on the financial situation of adults in the UK. Three in eight adults (38% or 20 million) have seen their financial situation overall worsen because of Covid and 15% (7.7 million) have seen it worsen a lot. At a regional level, adults in London and Northern Ireland are most likely to say they have been affected financially (48% and 43%, respectively). This research also showed that the pandemic has reversed downwards trends in vulnerability and low financial resilience figures. 27.7 million people have characteristics of vulnerability in October 2020 an increase of 3.7 million since February 2020 and 14.2 million have low financial resilience in October 2020, an increase of 3.5 million since February 2020.[58]

When asked to think about the challenges they are likely to face in the next six months, a quarter of all UK adults said it is likely they will struggle to make ends meet and are likely to see their debts increase. Adults in Northern Ireland (42%) were more likely to have this negative outlook in October 2020 compared with other regions.[59]

Office for National Statistics (ONS) figures[60] show that over the course of 2020 there was an increase in the number of people borrowing more money and in larger amounts. This coincided with a decrease in people being able to save for the year ahead with lower income groups one of the most affected groups. At the end of June 2020, 10.8%

[57] Financial Lives 2020 survey: the impact of coronavirus, Financial Conduct Authority, February 2021 Financial Lives 2020 survey: the impact of coronavirus (fca.org.uk)
[58] Ibid
[59] Ibid
[60] Personal and economic well-being in Great Britain: January 2021, Office for National Statistics Personal and economic well-being in Great Britain - Office for National Statistics (ons.gov.uk)

of adults reported borrowing money, rising to 17.4% in December 2020. Of those, the proportion borrowing more than £1,000 increased from 34.7% to 45.1% in the same period.

Research by the Resolution Foundation[61] found that during the crisis more UK households report taking on debt to cover day-to-day costs. The share of respondents with an income fall who reported that they have taken on debt in order to cover living expenses is significantly higher in the UK (17%) compared to Germany (9%) and France (8%).

JRF research[62] has illustrated how the pandemic has hit the incomes of low-income households with a large majority (87%) of these households now behind with bills they were always or often able to pay in full and on time before the pandemic. Research by the Joseph Rowntree Foundation and Save the Children[63] into the experiences of families with children claiming Universal Credit or Child Tax Credits has shown the crisis is causing 7 in 10 of these low-income families to cut back on essentials, 6 in 10 to borrow money and over 5 in 10 to be behind on rent or other essential bills.

StepChange debt advice charity research[64] has shown that since the pandemic began 14.3 million adults have experienced a fall in income that affected their ability to meet day to day costs. 11.3 million of those affected say their income had not recovered in January 2021. 10.6 million people borrowed to make ends meet since the beginning of the

[61] After Shocks, Financial resilience before and during the Covid-19 crisis, Resolution Foundation, April 2021
After shocks • Resolution Foundation
[62] Dragged down by debt: Millions of low-income households pulled under by arrears while living costs rise, Joseph Rowntree Foundation Briefing, October 2021
Dragged down by debt: Millions of low-income households pulled under by arrears while living costs rise | JRF
[63] A lifeline for our children: Strengthening the social security system for families with children during this pandemic, Joseph Rowntree Foundation and Save the Children, June 2020
https://www.savethechildren.org.uk/content/dam/coronahub/stc-jrf-joint-briefing-lifeline-for-children.pdf
[64] Stormy Weather, The impact of the Covid-19 pandemic on financial difficulty in January 2021, StepChange, April 2021
https://www.stepchange.org/Portals/0/assets/pdf/Coronavirus-impact-dashboard-January-2021-StepChange.pdf

pandemic. 2.8 million people borrowed using high-cost credit and 2 in 5 people who borrowed using high-cost credit are experiencing problem debt. Citizens Advice research has also shown that 1 in 9 people (the equivalent of 6 million people across the UK) have reported falling behind on household bills because of Covid.[65]

Advice NI believe that there will be an increase in vulnerabilities as people come to terms with the strain the Covid pandemic has had on them mentally, emotionally, physically and economically. Advice NI report that the pandemic has already increased the level of complexity in cases and that many clients will face issues with illness, mental health, redundancy, death, abuse and addictions. Due to the nature of these cases Advice NI believes that demand for face to face debt advice will increase in the future.

2.6.1 The impact of Covid on Women's Financial Wellbeing and Debt

It is clear that the economic impact of the pandemic has not been equally distributed and has tended to exacerbate existing inequalities. Women have been more impacted by job losses as a result of the pandemic as they are concentrated in the sectors which have been most affected by the crisis including retail, hospitality and travel. Research has shown that women were about a third more likely to work in a sector that was shut down than men with 17% of female employees in such sectors compared to 13% male.[66]

An analysis of the Financial Conduct Authority's Financial Lives Survey shows that 39% of women (10.3 million) report that they feel their financial situation has worsened between March and October 2020 compared to 37% of men (9.7 million). The FCA note that this is a small but significant difference.

[65] Citizens Advice Press Release, August 2020
Six million fall behind on bills because of coronavirus, with carers, shielders and key workers hardest hit - Citizens Advice

[66] Sector shutdowns during the coronavirus crisis: which workers are most exposed?, Institute for Fiscal Studies, April 2020
BN278-Sector-shutdowns-during-the-coronavirus-crisis.pdf (ifs.org.uk)

Research by the TUC on the impact of the pandemic on household finances shows that women were more likely to report a drop in disposable income than men (41% compared to 34%), women were more likely to be cutting back on spending as a result of the pandemic (36% compared to 31%) and women were slightly more likely than men to report higher levels of debt (23% compared to 20%).[67] StepChange research also shows that 30% of women report being negatively affected financially by the pandemic compared to 26% of men.[68] Locally, research by NISRA[69] showed that approximately one in ten people (9%) interviewed in the period July 2020 - January 2021 said they had borrowed more money or used more credit than usual since the Covid outbreak. It also showed that slightly more women (13.6%) than men (11.7%) reported having to borrow more money/use more credit than usual since the outbreak.

Research by the Institute for Social and Economic Research at the University of Essex has shown that the economic shocks caused by the pandemic have affected people unevenly across the UK with single mothers and the lowest paid being hardest hit by the loss of income.[70] More recent research by the University of Bristol[71] has also shown that lone parents are one of four groups (including householders with a disability, households receiving Universal Credit and households receiving Universal Credit that had no earners) who have been badly affected financially by the pandemic but have received little or no policy or media attention. This will have undermined their financial resilience to cope with future economic turbulence or life events. The research showed that half of lone parent households (50%) have seen their financial situations deteriorate over the last 18 months.

[67] The impact of the pandemic on household finances, TUC, February 2021
January debt report.pdf (tuc.org.uk)
[68] Coronavirus and personal debt: a financial recovery strategy for households, StepChange, June 2020
StepChange General Branded
[69] NISRA Coronavirus (Covid-19) Opinion Survey, Key Findings from Phases 1 to 8, NISRA
Nisra Coronavirus (Covid-19) Opinion Survey Key Findings – Phases 1 to 8
[70] Single mothers and lowest paid hit hardest by loss of income in Covid-19 crisis, Institute for Social and Economic Research, University of Essex, May 2020
Single mothers and lowest paid hit hardest by loss of income in Covid-19 crisis - Institute for Social and Economic Research (ISER) (essex.ac.uk)
[71] Bleak Expectations: the ongoing financial impact of the pandemic, University of Bristol and abrdn Financial Fairness Trust, December 2021
https://www.abrdn.com/docs?editionId=7b294590-da7f-4cd0-99bc-4a7b57c01ee0

Gingerbread and StepChange research[72] has shown that Covid has had a negative impact on single parent's household finances compared to couple parents. Half (49%) of single parents reported taking on more debt since the pandemic compared to 44% of couple parents. The average amount of debt held by single parents increased by around 15% during the pandemic compared to around 8% for couple parents (an average of more than £600 in additional debt per household). 22% of single parents reported that temporary increases in the cost of living had negatively impacted their household finances compared to 15% of couple parents.

Further StepChange research shows that 31% of single parents have seen their income fall since March 2020. 33% are showing signs of financial difficulty, 11% are in problem debt, 19% are in arrears on household bills, 31% have experienced hardship, 40% have borrowed to make ends meet and 16% report that they are probably or certainly unable to pay for essentials in the next 12 months.[73]

2.6.2 Government help for Covid

The Government announced a package of measures designed to help borrowers struggling with their finances during the Covid crisis. This included temporary payment deferrals on mortgages, credit cards and personal loans and suspending eviction proceedings. Figures from Which[74] show that by July 2020, 1.8 million people had taken payment breaks on their mortgages, and deferrals had been granted on 1.18 million credit cards and 828,000 loans. After the commencement of a further national lockdown at the end of October, the government extended the deadline to apply for a payment holiday to 31 March 2021.

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[72] The single parent debt trap, Gingerbread & StepChange, February 2021 The-single-parent-debt-trap_web.pdf (gingerbread.org.uk)

[73] Stormy Weather, The impact of the Covid-19 pandemic on financial difficulty in January 2021, StepChange, April 2021 https://www.stepchange.org/Portals/0/assets/pdf/Coronavirus-impact-dashboard-January-2021-StepChange.pdf

[74] https://www.which.co.uk/news/2021/04/covid-19-payment-holiday-applications-close-how-to-get-help-with-your-finances/

StepChange research[75] has shown that 1 in 4 of those who accessed a credit or mortgage payment holiday are showing signs of being in problem debt. Among those who took a credit payment holiday that has ended 50% say they have resumed payments with difficulty and 23% have subsequently missed repayments.

Debt charities[76] fear that debt problems which have built during lockdowns are now in danger of becoming worse as many of the government schemes to help people preserve their incomes have come to an end.

Despite important Government help introduced to help with the impact of Covid (including the £20/week increase to Universal Credit referenced in Section 2.6.3) there is still overwhelming evidence that levels of deprivation or hardship, or instances of problem debt, worsened during the Covid crisis.[77]

2.6.3 Universal Credit and Covid

As Universal Credit will be the main benefit claimed by those who have lost their jobs, or who have suffered reduced incomes as a result of the pandemic, it is clear that existing issues with this benefit could lead to or exacerbate existing debt problems. Research by the Joseph Rowntree Foundation and Save the Children found that 60% of families on Universal Credit and Child Tax Credits have been forced to borrow money since the start of the crisis with many relying on payday loans or credit cards.[78]

[75] Stormy Weather, The impact of the Covid-19 pandemic on financial difficulty in January 2021, StepChange, April 2021
https://www.stepchange.org/Portals/0/assets/pdf/Coronavirus-impact-dashboard-January-2021-StepChange.pdf

[76] Citizens Advice Press Release, August 2020
Six million fall behind on bills because of coronavirus, with carers, shielders and key workers hardest hit - Citizens Advice

[77] Social Insecurity: Assessing trends in social security to prepare for the decade of change ahead, The Economy 2030 Inquiry, January 2022
https://economy2030.resolutionfoundation.org/wp-content/uploads/2022/01/Social-Insecurity.pdf

[78] Nearly two thirds of families on Universal Credit forced into lockdown debt nightmare, Joseph Rowntree Foundation and Save the Children, June 2020
Nearly two thirds of families on Universal Credit forced into lockdown debt 'nightmare' | JRF

Resolution Foundation research[79] shows the extent to which Universal Credit claimants are experiencing financial difficulties. In their survey 31% of all Universal Credit families said they were more in debt now than in February 2020 compared to just 13% across all families. This research found that over one in five new and existing Universal Credit families fell behind on essential bills during the crisis and now owe debt as a result. It also found that existing and new Universal Credit families were more than twice as likely to see increasing levels of debt.

As a result of the Covid pandemic the Government introduced a £20/week increase to the standard allowance of Universal Credit and Tax Credits. The Chancellor said he was introducing the increase to "*strengthen the safety net*". However, despite campaigning efforts this increase ended in October 2021. The cut took place at a time of rising costs of living and while the Covid pandemic was still rampant. Research[80] has shown that Northern Ireland will feel the cut to Universal Credit the hardest hitting 36% of local non-pensioner households, the highest of all the UK regions.

A report from the University of Bristol[81] shows the financial outlook is poor for more than eight in ten (83%) of UK households on Universal Credit. Nearly three times as many households in receipt of Universal Credit struggle to pay for food and/or bills (42% compared to 15% of all working age households). Twice as many households in receipt of Universal Credit have to borrow to pay for essentials (35% compared to 16%). Even before the £20/week cut to Universal Credit took effect 68% of households on Universal Credit has seen their financial situation get worse in the last 18 months and four times as many households on Universal Credit were in serious financial difficulty (42%).

[79] The debts that divide us, Resolution Foundation, February 2021
The-debts-that-divide-us.pdf (resolutionfoundation.org)
[80] Death by £1000 cuts?, Resolution Foundation, October 2020
1000-cuts.pdf (resolutionfoundation.org)
[81] Bleak Expectations: the ongoing financial impact of the pandemic, University of Bristol and abrdn Financial Fairness Trust, December 2021
https://www.abrdn.com/docs?editionId=7b294590-da7f-4cd0-99bc-4a7b57c01ee0

2.6.4. Cost of Living Crisis

Inflation has risen to 10.1% in the UK in July 2022 its highest level in over 40 years. Inflation has been rising sharply since Covid restrictions ended and the economy reopened on the back of soaring fuel, energy and food costs. The Bank of England has predicted that inflation will continue to rise reaching 13% in October 2022. However, the Institute for Fiscal Studies has said that the poorest fifth of households could face inflation of 18% (compared to 11% for the richest fifth) as they spend a larger proportion of their budgets on energy and food, the costs of which are rising so fast.[82]

Recently released figures from the Bank of England[83] appear to show the impact of cost of living increases on borrowing levels with individuals borrowing an additional £1.8 billion in consumer credit in June 2022 which is above pre-pandemic average. Credit card borrowing rose at its fastest annual rate since November 2005 at 12.5% with other forms of consumer credit including unsecured personal loans and overdrafts also rising at the fastest annual rate since March 2020 at 4.1%.

The Rebuilding Britain Index[84] has found that the Cost of Living Crisis is having a significant impact on UK households. More than one in ten (13%) of UK households says they will not be able to cope and there is nothing left for them to cut back on. The situation is worse for low-income households - 28% of UK households with an annual income below £20,000 saying they will be unable to cope and have nothing left to cut back on. This research also found that the impact of the Cost of Living Crisis is not being felt equally across the UK with households in Northern Ireland, the South West of England and Yorkshire the least confident that their current income will be sufficient for them to maintain their current lifestyle this time next year.

[82] The long squeeze: rising inflation and the current government support package | Institute for Fiscal Studies (ifs.org.uk)
[83] Money and Credit - June 2022 | Bank of England
[84] The Rebuilding Britain Index, Legal & General, July 2022 rebuilding-britain-index-wave-6-digital.pdf (legalandgeneral.com)

Analysis of Bank of England research carried out by the Jubilee Debt Campaign[85] found that in September 2021 almost 10% of UK households reported that loan and interest payments were a heavy financial burden, a 35% increase on the previous year's figures. This was before the winter increases in energy prices and the removal of the Universal Credit £20 uplift. The Jubilee Debt Campaign states that coming on top of years of stagnant incomes and a pandemic that the Cost of Living Crisis threatens to pull millions more people into debt.[86]

A report by the Financial Fairness Trust[87] into the financial wellbeing of UK households is giving an insight into new challenges such as the Cost of Living Crisis on households. It has found that one in six households (1.4 million) are now in serious financial difficulties compared to one in ten in October 2021. The report outlines that the Cost of Living Crisis is having an impact on household's ability to pay their bills with 14% reporting they had missed at least one payment of a household bill in June 2022 (up from 9% in October 2021). It also showed changes in how households are using credit with 7.8% of households having four or more credit cards (up from 5.8%) and the number of households only making the minimum payment on at least one card rising to 14% from 12% in October 2021.

Citizens Advice have warned that low income families, hit by a triple whammy of the £20-a-week Universal Credit cut, soaring energy bills and rising inflation, will face financial hardship. Citizens Advice research[88] on the cost of living crunch reveals that one in ten families (3.2 million households) face financial crisis. It found that even if living on a minimal budget (the financial plan its advisers use to support people through a debt management process) more than 3 million households would be in the red or

[85] Alarming surge in household debt as cost-of-living crisis bites - Jubilee Debt Campaign UK
[86] Cost of Living Crisis Will Pull More People in the UK into the Debt Trap – Time to Resist - Jubilee Debt Campaign UK
[87] Under pressure: The financial wellbeing of UK households in June 2022, The Financial Fairness Trust, July 2022
Under pressure: The financial wellbeing of UK households in June 2022 (financialfairness.org.uk)
[88] Three million families facing crisis as cost of living crunch bites, Citizens Advice Press Release, November 2021
https://www.citizensadvice.org.uk/about-us/about-us1/media/press-releases/three-million-families-facing-crisis-as-cost-of-living-crunch-bites/

unable to cover the essentials. It also showed that a further 380,000 households have less than £50 spare each month after covering their basic living costs, putting them at risk of hardship if they faced an unexpected bill.

StepChange research[89] has found that one in five people (21%) think that external financial pressures such as increases in the cost of living will cause them to go into debt they would be unable to pay back. Further data from StepChange[90] shows that the cost of living is now the second most commonly given reason for debt with the number of clients giving cost of living as a driver of their problem debt at 15% more than twice the rate given in 2021.

Joseph Rowntree Foundation analysis shows that the rising price of essentials will pull more people into poverty.[91] The decision by the Chancellor not to increase social security benefits in line with current inflation levels (they were uprated by 3.1% in April 2022) along with other measures such as changes to National Insurance means around 600,000 people will be pulled into poverty according to JRF.[92]

Latest research by the Joseph Rowntree Foundation[93] into UK Poverty in 2022 shows that within the poorest 20% of households, those with children use a higher proportion of their weekly spending on housing, energy, food and clothing. For lone parents the spending makes up 55% of the total and for couple parents it is 51%. These households will therefore feel the impacts of cost living increases more keenly.

Rising energy bills add significant pressure to the already stretched budgets of low-income families increasing poverty and the likelihood of getting into debt. New analysis

[89] One in five people expects to be driven into problem debt this year, StepChange, March 2022 https://www.stepchange.org/media-centre/press-releases/debt-awareness-week-2022.aspx
[90] https://www.stepchange.org/media-centre/press-releases/april-debt-advice-data.aspx
[91] Inflation is pushing people deeper into poverty, JRF Blog, December 2021 Inflation is pushing people deeper into poverty | JRF
[92] New analysis models impact of changes in today's spring statement, JRF Press Release, March 2022 600,000 will be pulled into poverty as a result of Chancellor's inaction | JRF
[93] UK Poverty 2022, Joseph Rowntree Foundation, January 2022 https://www.jrf.org.uk/report/uk-poverty-2022

from the Joseph Rowntree Foundation[94] shows that soaring energy bills are eating up substantial amounts of some UK households incomes. The percentage of income spent on gas and electricity for low-income households is on average 18% of their income after housing costs after April. For lone parents they will spend 25% of their incomes on energy bills an increase of almost 10 percentage points in the same period last year.

Northern Ireland is set to be the region hardest hit by fuel poverty in the UK as a result of rising energy bills and soaring inflation. A University of York study[95] has shown that 76.3% of households in Northern Ireland are expected to be in fuel poverty in January 2023. This study also showed that fuel poverty in the UK is expected to affect 90.4% of lone parents with two or more children in January 2023. A study looking at the impact of rising energy bills and the Cost of Living Crisis on Northern Ireland households for NEA NI[96] has shown that 75% of respondents are worried about paying for their energy either currently or during the winter ahead.

Many low-income households are also feeling the impact of rising costs of food. Research by the Food Standards Agency (FSA) shows growing concern about the cost of food[97] with the cost of food a major future worry for three out of four people (76%) in the UK. One in five (22%) say they skipped a meal or cut down the size of meals because they didn't have enough money to buy food.

The latest Asda Income Tracker[98] has found that 20% of UK households had negative disposable incomes in June 2022 the largest percentage decrease in the Income Tracker's history. It showed that one in five had an average weekly shortfall of £60 between earnings and the money needed to cover essentials. The Cost of Living Crisis

[94] Rising energy bills to 'devastate' poorest families, January 2022
https://www.jrf.org.uk/press/rising-energy-bills-devastate-poorest-families
[95] jonathan bradshaw blog: REVISED ESTIMATES OF FUEL POVERTY 10 AUGUST 2022
[96] NEA NI: NI wide Omnibus Poll, June 2022
https://www.nea.org.uk/publications/lucidtalk-nea-ni-ni-wide-omnibus-poll-project/
[97] FSA research shows growing concern around the cost of food | Food Standards Agency
[98] Asda Income Tracker, Centre for Economics and Business Research Ltd, July 2022
PowerPoint Presentation (asda.com)

is driving these record falls in the Income Tracker with Northern Ireland showing the largest annual contraction in discretionary income (32.3%) for any region in the history of the Income Tracker. The Consumer Council's first Northern Ireland Household Expenditure Tracker[99] has found that Northern Ireland's lowest earning households have only £28.86 discretionary income after all their bills and living expenses.

There are clear links between money problems and mental health issues as explored in Section 2.8 of this report. Rises in the cost of living put pressure on household finances particularly for those on the lowest incomes which lead to increases in anxiety and mental health problems. This toxic cycle of money worries and mental health problems has the potential to create a mental health crisis out of the cost of living crisis as suggested by the Money and Mental Health Policy Institute.[100] Their research shows that people with mental health problems are more likely to say that the rocketing cost of living has had a negative effect on their mental health and they are also more likely to have borrowed money or cut back on spending in response.

2.7 High-Cost Credit

The high-cost credit market is made up of credit products such as credit cards, retail and motor finance, high-cost short-term credit including payday loans, home-collected credit (doorstep lending), rent-to-own, buy now pay later offers, overdrafts and guarantor and logbook loans.

Figures from the Financial Conduct Authority show that in 2017 around 39 million people in the UK had outstanding credit borrowing with 3.1 million customers using high-cost credit products. In January 2018 consumers had £3.9 billion of debt on high-cost credit products excluding overdrafts and retail finance. Consumers also owed £11.3 billion in retail finance debt; some of this is high-cost and mainly comprises store

[99] NI Household Expenditure Tracker Q1 2022, The Consumer Council, September 2022
102873 - 45645 Consumer Council - NI Household Expenditure Tracker V9
[100] A tale of two crises: the cost of living and mental health, Policy Note Number 23, Money and Mental Health Policy Institute, June 2022
Cost-of-living-crisis-policy-note-1.pdf (moneyandmentalhealth.org)

cards, mail order and running account credit. In May 2019, consumers had £7.7 billion in overdraft debt.[101] According to the Bank of England[102] credit card borrowing is rising at its fastest annual rate in 17 years, a sign of mounting pressure on household finances.

The Joseph Rowntree Foundation[103] has highlighted concerns around the use of high-cost credit with almost one fifth of low-income households (19% or 2.3 million households) owing £3.5 billion of debt to high-cost lenders including loan sharks (£870 million), doorstep loans (£900 million), payday lenders (£920 million) and pawnbrokers (£770 million). A further £2.3 billion is owed to buy now, pay later providers.

StepChange research highlighted that groups more likely to have low financial resilience are more likely to have used high-cost credit, for example, 44% of those receiving a means-tested social security benefit and 47% of those in the social rented sector.[104] The Financial Conduct Authority states that high-cost credit users typically have low credit scores and many do not have savings but may need credit to make ends meet and avoid defaulting on household bills or priority debts. They may also have very limited options for obtaining essential goods or for managing other larger purchases or bills.[105] Resolution Foundation research[106] has also reported concern that lower-income households rely more heavily on the most expensive products than higher-income households.

[101] High-cost credit review, Financial Conduct Authority, October 2019
https://www.fca.org.uk/firms/high-cost-credit-consumer-credit/high-cost-credit-review
[102] https://www.bankofengland.co.uk/statistics/money-and-credit/2022/april-2022
[103] Not heating, eating or meeting bills: managing a cost of living crisis on a low income, Joseph Rowntree Foundation, June 2022
Not heating, eating or meeting bills: managing a cost of living crisis on a low income | JRF
[104] Falling behind to keep up: the credit safety net and problem debt, StepChange, January 2022
Falling behind to keep up: the credit safety net and problem debt (stepchange.org)
[105] High-cost Credit Review - update, Financial Conduct Authority, January 2018
https://www.fca.org.uk/publication/feedback/high-cost-credit-review-update.pdf
[106] An outstanding balance? Inequalities in the use – and burden – of consumer credit in the UK, The Resolution Foundation, January 2020
https://www.resolutionfoundation.org/app/uploads/2020/01/An-outstanding-balance.pdf

FCA commissioned research[107] showed that convenience and ease-of-use motivated people to use high-cost credit products and that this made these products feel ‘approachable’, ‘safe’ and ‘friendlier’ compared to alternative credit sources. The research identified three key factors that could contribute to consumers becoming regular users of this type of credit – managing finances week by week, lack of perceived choices or options combined with the immediacy of the need for a solution and having a more impulsive attitude to spending.

2.7.1. Illegal Lending

As well as legal forms of high-cost credit there are non-regulated or illegal lenders who operate in local areas often with very high interest rates. These ‘loan sharks’ are illegal money lenders who makes it their business to profit from lending money but who are not licenced or regulated by the authorities.[108] Loan sharks often prey on those who are more vulnerable or have no alternative other to than to borrow from them. This type of lending often comes with fear of intimidation and physical violence and therefore many people who use this type of lending are fearful of talking about it.

It is estimated that there are 310,000 people in debt to illegal money lenders in the UK.[109] Research by the Financial Conduct Authority shows that this type of lending is most likely to be found in areas of high economic deprivation, particularly within social and rented housing estates with close knit communities.[110] This research also shows that many consumers of illegal lending were on benefits and often in work, but work was low paid or intermittent. A common theme was that these consumers have exhausted all available resources and have a desperate and urgent need for money, often being tipped into using it by a crisis or unexpected particular shortfall in income.[111]

[107] Usage and experiences of High Cost Credit, Consumer research report, PricewaterhouseCoopers, May 2018
https://www.fca.org.uk/publication/research/usage-and-experiences-of-high-cost-credit-consumer-research-report.pdf
[108] www.stoploansharksni.org.uk
[109] www.stoploansharks.co.uk
[110] Shining a light on illegal money lending: consumer experiences of unauthorized lending in the UK, FCA, November 2017
illegal-money-lending-research-report.pdf (fca.org.uk)
[111] Ibid

Research by Ulster University and the Consumer Council[112] identified a number of reasons why someone would make the decision to use illegal money lenders. These included lack of access to mainstream credit, a sense of desperation, already being in insurmountable debt and not having to present bank statements or a financial history to a lender.

Advice NI believes that illegal lending is prevalent in Northern Ireland however it remains a hidden issue due to the underlying fear and secrecy surrounding this type of credit. Their research on behalf of the Consumer Council[113] showed that clients who accessed illegal lending were vulnerable. Many suffered from poor health, including mental health and/or addiction issues and for most lack of access to credit, low income or benefit dependency caused them to turn to illegal lending. It was also evident from Advice NI research[114] that there was a strong link between paramilitaries and illegal money lending. This brings an additional layer of secrecy, fear and intimidation.

Research by Ulster University and the Consumer Council[115] suggests that those involved in illegal money lending fall into two broad groups: paramilitaries and 'regular' members of the community. Respondents to this research agreed that money lenders in Northern Ireland must have some form of local influence or legitimacy, which may stem from a paramilitary connection, but must have the ability to carry out enforcement measures in order to settle or recoup the debt, including coercing debtors to facilitate criminal activity. This research[116] also found that Universal Credit was repeatedly described as a driver for illegal lending particularly around the harm caused by the five-week wait and issues with short-term benefits loans that were repaid from future

[112] The impact of Covid-19 and associated lockdown on financial difficulties, debt and illegal money lending, Ulster University and the Consumer Council, August 2021
The impact of COVID-19 and associated lockdown on financial difficulties, debt and illegal money lending | Consumer Council
[113] Illegal Lending – The Human Story, Advice NI, September 2019
Illegal Lending – The Human Story | Advice NI
[114] Ibid
[115] Illegal Money Lending and Debt Project, Research Report of Findings, Ulster University and the Consumer Council, March 2020
Illegal_Money_Lending_Report.PDF (consumercouncil.org.uk)
[116] Ibid

benefits. This ensured that benefit claimants were often short of the funds they needed to support their household leading them to look to other means of getting the money they needed.

The use of high cost credit (both legal and illegal) can have negative impacts on the financial wellbeing of households particularly those on low incomes. Repeated use of high-cost credit, particularly when they are used to meet essential expenditure, puts borrowers at greater risk of falling into financial difficulties and debt. It can lead to spiralling debt problems from which many borrowers find it difficult or impossible to escape.

2.8 Debt and Mental Health

Money problems and poor health are often linked. There is a strong relationship between debt and health as debt problems can lead to a deterioration in physical and mental health and health problems can be a trigger for increasing debt. Research by the Health Foundation[117] shows that 20% of people in problems debt report ‘bad’ or ‘very bad’ health compared with 7% not in problem debt. One in two adults with debts has a mental health problem.[118]

Research by the Money and Mental Health Policy Institute[119] has revealed that during the Covid pandemic people with mental health problems faced a much higher risk of financial hardship compared to the wider population. Their findings showed that people with mental health problems were three times more likely to have fallen in to problem debt than the wider population (15% compared to 4%). They were more than twice as likely to have relied on credit or borrowing to cover everyday spending (26% compared to 11%). Most concerning in the findings is that people with mental health problems

[117] Debt and health, Preventing ‘problem debt’ during the pandemic recovery, The Health Foundation, January 2022
Debt and health - The Health Foundation
[118] Debt and mental health | Royal College of Psychiatrists (rcpsych.ac.uk)
[119] The state we’re in, Money and mental health in a time of crisis, The Money and Mental Health Policy Institute, November 2021
https://www.moneyandmentalhealth.org/wp-content/uploads/2021/11/The-State-Were-In-Report-Nov21.pdf

are at a high risk of considering suicide when behind on payments. 44% of adults with mental health problems who fell behind on bills last year either considered or attempted to take their own life amounting to 2.5million people in total.[120] The latest client survey results from CAP show that more than a third (36%) of their clients had considered or attempted suicide as a way out of debt.[121]

Research by the Trussell Trust shows that the population of people referred to food banks in their network during the pandemic saw an increase in the proportion of people reporting mental health problems from 51% in early 2020 to 72% in mid-2020.[122] Research with food bank users[123] showed that without enough money to cover their costs almost all respondents had accrued debts. It showed that the circumstances they faced were producing a toxic environment for their mental health. Alongside the distress and discomfort of material hardship they were experiencing insecurity, uncertainty, anxiety and a lack of agency.

Financial Conduct Authority Covid survey data looking at anxiety levels by gender shows that levels of stress due to negative changes in financial situation were higher among women compared to men (22% compared with 19%) and were generally higher on all measures for women.[124]

Sir Michael Marmot who carried out a Government review on health inequality has said that increasing out-of-work benefits and support for low paid workers as the country emerges from the pandemic could have a big impact in curbing a mental health crisis

[120] Ibid
[121] On the edge, Client report, Christians Against Poverty, June 2022
Client_Report_2022_On_the_edge.pdf (capuk.org)
[122] State of Hunger, Building the evidence on poverty, destitution, and food insecurity in the UK, Year two main report, The Trussell Trust, May 2021
State-of-Hunger-2021-Report-Final.pdf (trusselltrust.org)
[123] Pushed to the Edge: Poverty, Food Banks and Mental Health, Independent Food Aid Network & JRF, February 2022
Pushed to the Edge: Poverty, Food Banks and Mental Heal... (foodaidnetwork.org.uk)
[124] Gender, personal finances and Covid-19, FCA Insight Article, May 2021
https://www.fca.org.uk/insight/gender-personal-finances-and-covid-19

and even save lives.[125] Northern Ireland's Mental Health Champion, Professor Siobhán O'Neill has highlighted the impact of rising costs on mental health issues stating that the Cost of Living Crisis is causing a mental health crisis worse than that of the pandemic with poverty putting increased pressure on many people in Northern Ireland.[126]

2.8.1 Breathing Space

'Breathing Space' is a debt respite scheme introduced in England and Wales. The scheme provides temporary legal protection from creditor action for those with problem debt. This means that most interest, fees, and penalties are frozen and that most enforcement action and contact from creditors is paused for a breathing space period. Most debts qualify for breathing space protections including mortgage and rent arrears, utility arrears, credit cards, store cards, personal loans, pay day loans and overdrafts.

The Mental Health Crisis Breathing Space is restricted to people who have been detained in hospital for assessment or treatment, people who have been removed to a place of safety by the police or are receiving any other crisis, emergency or acute care or treatment in hospital or in the community from a specialist mental health service in relation to a mental disorder of a serious nature. Feedback from the scheme in England and Wales suggests that uptake is low pointing to problems with the accessibility criteria.

The Department for Communities is developing policy for a debt respite scheme in Northern Ireland which is expected to include a 'Breathing Space' element. The Department has commissioned MindWise to conduct research, make recommendations and put an exit strategy in place for those individuals who meet the criteria under a mental-health crisis.

[125] Raise benefits to curb UK crisis in mental health, expert urges, The Guardian, March 2021 https://www.theguardian.com/politics/2021/mar/21/raise-benefits-to-curb-uk-crisis-in-mental-health-expert-urges

[126] Rising costs leading to a 'mental health crisis worse than the pandemic' in Northern Ireland - Belfast Live

3. Women's experiences of debt and the impact of living with debt

3.1 Introduction

This section summarises the experiences and views of women across Northern Ireland who took part in focus group sessions and completed questionnaires on the extent and impact of debt on their lives.

3.2 Reported effects – Questionnaires

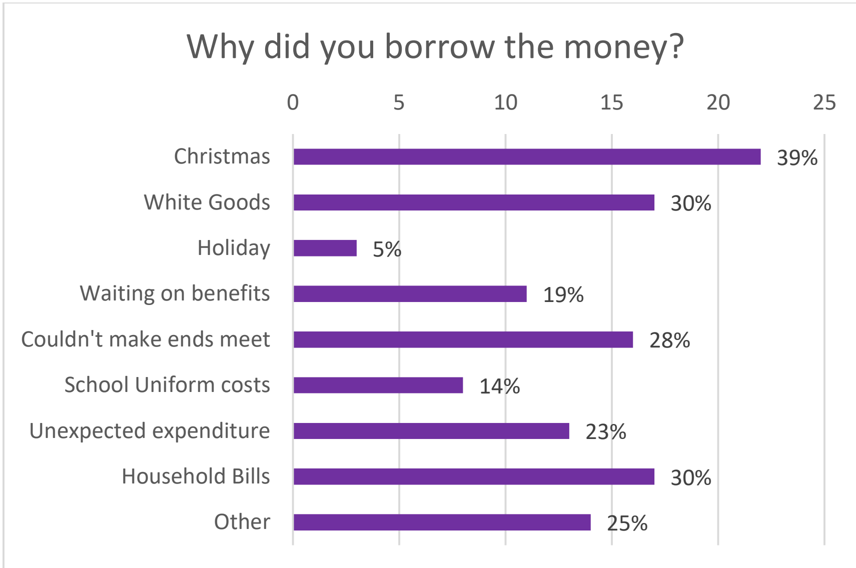
A total of 57 women completed questionnaires on their personal debt and on the impact of being in debt. The results from the questionnaires are presented below.

Question 1 – How much debt do you have?

More than half of the women had debts of over £1,000 (56%) with 35% reporting debts of over £2,000. Only 27% reported having debts of £500 or less.

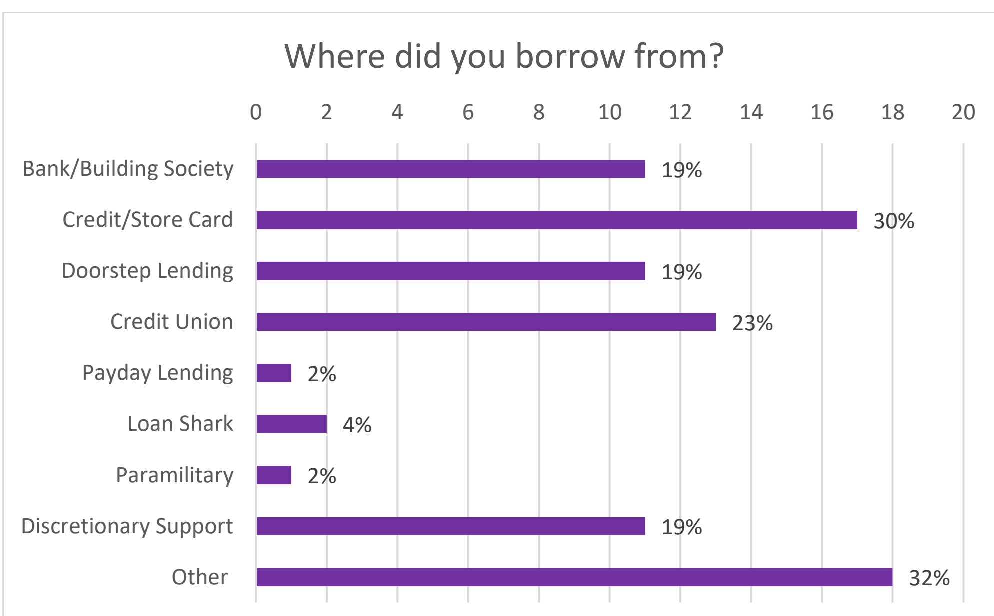
Question 2 – Why did you borrow the money?

The largest number of women reported borrowing money for Christmas (39%). This was followed by borrowing for white goods such as fridges, washing machines, etc (30%) and borrowing to meet household bills including utility bills (30%). An inability to make ends meet was reported as the cause of 28% of the borrowing and 23% reported unexpected expenditure. A number of 'other' reasons were given for borrowing including relationship breakdown, maternity, university costs, decorating, buying clothes, phones and the costs of a wedding (25%).



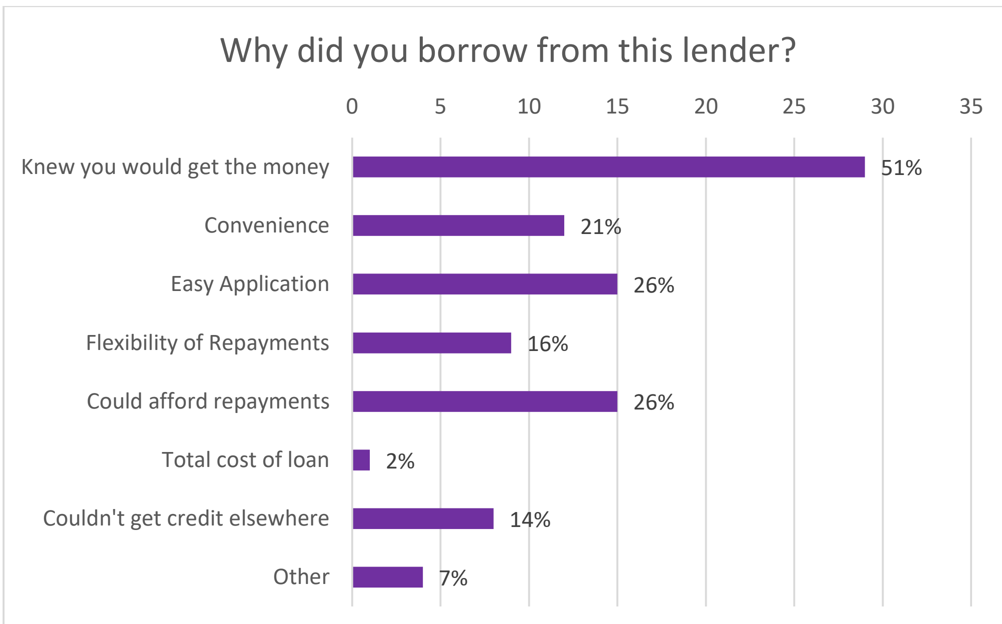
Question 3 – Where did you borrow from?

The largest source of borrowing at 32% was in the 'Other' category which when analysed was borrowing from friends/family. This was closely followed at 30% by borrowing through credit/store cards. The Credit Union was used by 23% of the women and borrowing through the Bank/Building Society, Discretionary Support and Doorstep Lending were each used by 19% of the women. Smaller numbers (8%) had borrowed through Payday lending, loan sharks and paramilitaries.



Question 4 – Why did you borrow from this lender?

The majority of the women (51%) chose the lender they borrowed from because they knew they would be able to get the money they needed. Equal numbers of women (26% each) gave the reasons 'ease of application' and the 'ability to afford repayments' as the reason for their choice of lender. Convenience was given as a reason by 21% with 16% stating flexibility of repayments and 14% saying they couldn't get credit elsewhere. It is significant that only 2% of the women reported the total cost of the loan as the reason for borrowing from the lender.



Question 5 - Are you having difficulty meeting your repayments and/or have you missed any repayments?

A significant amount of women reported having difficulty meeting their repayments and/or missing repayments (60%). A smaller proportion (37%) reported having no difficulty and almost 4% stated 'other' and this section included actions such as having to keep moving balances between credit cards.

Question 6 - Have you had to use a foodbank as a result of your debts and trying to make ends meet?

Just over one third of the women (35%) reported having to use a foodbank as a result of their debts and trying to make ends meet. A further 2% reported having received food parcels delivered by a community group. The remainder (63%) had not used a foodbank.

Question 7 - Did you get into debt/worse in debt as a result of Covid pandemic?

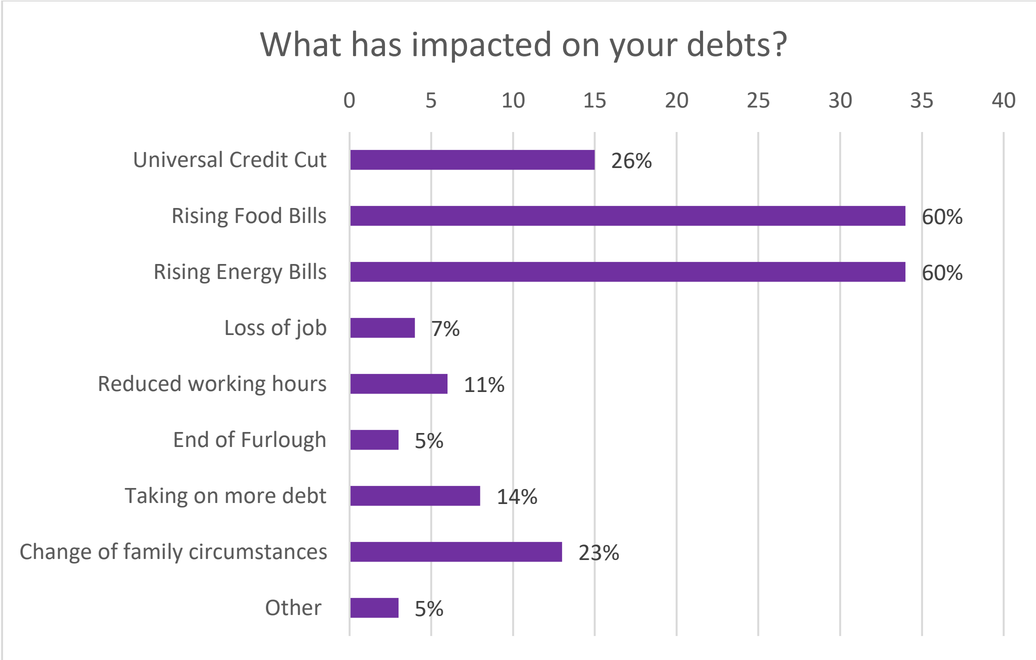
Just under half of women (44%) reported that they had got into debt or their debts had worsened as a result of the Covid pandemic with 56% reporting no impact on debt levels as a result of the pandemic.

Question 8 - Were you able to get any specific help with your debts as a result of the Covid pandemic?

The majority of the women reported that they had received no specific help with their debts as a result of the pandemic (79%). Of the 21% who reported they had received some help this took the form of mortgage/credit card holidays, the Covid Isolation Grant and the Universal Credit uplift.

Question 9 - Have your debts been impacted by changes to benefits or other issues such as cost of living increases?

Three quarters of the women (75%) reported that their debts had been impacted by changes to benefits or other issues. When questioned about what impacted on their debts the majority of the women reported that their debts had been impacted by rising energy bills (60%) and rising food bills (60%). The Universal Credit cut has impacted on the debts of 26% of the women and a change in circumstances (such as a relationship breakdown or birth of a new baby) had impacted on the debts of 23% of the women. Job loss, reduced working hours and the end of furlough had impacted on the debts of 23% of the women. Of the 5% of women reporting ‘other’ this included bereavement or sickness.



Question 10 - Do you feel you have been negatively impacted by being in debt either practically through not being able to afford essentials and/or in terms of your mental health/wellbeing?

The majority of the women (72%) reported that they felt they had been negatively impacted by being in debt with only 28% reporting no negative impacts. When questioned on how they had been impacted the responses concentrated on issues around mental health and wellbeing, stress, anxiety, depression, loss of sleep, panic attacks as well as struggling to afford the essentials, pay household bills and provide for their children.

"I feel low about my debts."

"It impacted on my wellbeing and enjoying the time spent with my new born."

"It affects my mental health and my relationship with my partner."

"Low mood, severe anxiety, loss of sleep."

"Just being able to make ends meet, to have enough heat, light and food for the kids. It's tough."

"Constant worry, stress and panic attacks."

"I'm worried about meeting household bills - worry about meeting unexpected expenditure."

Question 11 - Do you feel your children have been negatively impacted by your debts?

Almost half of the women (47%) felt that their children had been negatively impacted by their debts with 53% reporting no negative impacts. When questioned about how they felt their children had been impacted the responses centred around not being able to get their children what they needed in terms of food, heat, clothes or being able to buy them presents for birthdays/Christmas and that children were missing out on doing things such as activities and clubs because they couldn't afford to pay for these.

"We're having to decide between eating or heating."

"They're losing out on doing things."

"They can't enjoy clubs or extra-curricular activities."

"I can only afford the basics in terms of food, clothes, etc."

"The budget doesn't allow my kids to have any nice things just the basics."

"Not able to afford birthday gifts or Christmas presents. Kids are aware of the lack of money and they worry."

"My son is aware of the money worries but I try not to worry him. I make changes to make sure my son has the money he needs."

"The baby is too young to worry about it but I haven't been able to take him to things or do things I want with him as money is such a concern."

3.3 Reported effects - Focus Groups

Debt was a fact of life for many of the women who took part in the focus group sessions. Often they had no other choice but to borrow due to low incomes from social security benefits or in low paid work. Many were lone parents struggling to provide for their children and make ends meet. Most reported a worsening situation with regard to meeting their bills and affording the essentials. There were few, if any, luxuries in the lives of these women and many were living with an endless cycle of money worries and debt.

Prevalence of Debt

Most of the women believed that being in debt was very common and even more so in these difficult times with the impact of welfare reform, Covid and rising prices. The majority of the women reported being in debt for essential items. This included household bills (groceries, maintenance to cars, energy costs), white goods, furniture, clothes and school uniforms as well as borrowing for the cost of Christmas.

Some of the women reported that they were unable to save, due to living on a low income, which would allow them to avoid getting into debt or further in debt. They were either unable to save at all or what little they were able to put away was quickly used up in meeting everyday living expenses usually for quite small items such as school clothing or school shoes.

"Sometimes I have to use my credit card to pay for ordinary things like groceries, putting petrol in the car or for clothes."

"Covid made my debts worse. My gas and electric went up because you weren't out of the house and you were constantly using it."

"As quick as the money is coming in it's going out. And that's not for Christmas, that's just normal stuff. The kids' schools are always looking for money too, £10 for this class and £10 for that class. There are cut backs in schools too and so they are asking parents to help get things such as stationery supplies. I have to buy all that stuff - pens, pencils, folders, etc. It puts even more pressure on your budget and forces you into debt."

"My debt started with a bed. I got finance through a shop to buy it. I was working at the time and had a job where I felt I could afford the repayments. After my son was born I took out another loan to get stuff for the house and help with the bills, I was still working then. Now I have 2 children and I'm not working as I'm on my own. The kids want things for their birthdays and Christmas and I have to borrow for that."

"It's hard to save. One week I have a spare £10 but the following week something happens and the kids need new school shoes or a new jumper."

"I have good days and bad days. Some days I can pay the loan man, still pay my bills, shopping and have a tiny bit extra. I try and save it to put it towards something else but then the next week I'm short of money and have to use it."

Stigma of Debt

Women reported that there is still a considerable stigma around debt. Although, it was felt that these attitudes were changing and people, especially younger people, were more willing to talk about this subject. They also felt that Covid had helped to make debt more easy to talk about it as more people needed to borrow and it was seen as more acceptable in these circumstances.

"You do hide your debt, you are ashamed of it as a woman but you're only trying to survive."

"I'm fine talking about my debts here (in the Women's Centre) but not anywhere else."

"People talk about it a bit easier – debt and mental health – one of the good things to come out of Covid. There is more of a safety net for people to talk about these things in a safe space as others are experiencing the same issues and the fact that has been brought out is a good thing."

"There is still awful stigma around debt especially here in NI – it feels like other places in England, etc. are more willing to talk about these things but we are still behind."

Access to Credit

The women felt that access to credit had perhaps become easier now that there are more options available online. However, it was acknowledged that this type of online borrowing while more readily available is also more expensive.

Women noted that for those on low incomes the options for accessing cheaper forms of credit were more limited which often leads them to being driven to high cost credit. Some of the women reported a regular pattern of saving with the Credit Union in order to access credit however some also acknowledged that this was often not the cheapest form of borrowing.

"People with poor credit ratings are forced into more expensive lending. So the rich get richer and the poor get poorer."

"The way everything is online makes it so easy to get credit."

"For more expensive forms of borrowing you don't need to meet the same level of criteria so you're forced into this lending."

"Even when you talk about the Credit Union – the convenience and being part of the community it is not cheap to borrow there either. There are other options which are cheaper."

Types of Lending

There was a wide range of borrowing reported by the women in the focus groups but most of it tended towards the more expensive forms of lending such as credit/store cards, catalogues, overdrafts, doorstep lending and some examples of illegal lending. Borrowing through the Credit Union and through Discretionary Support was also fairly widely reported as well as informal borrowing from friends and family.

Some of the women were using Buy Now Pay Later products and payment plans (such as Klarna and Clearpay) which allowed them to split payments into smaller amounts over a period of time. This allowed them to make purchases they wouldn't otherwise have been able to afford and spread the cost.

"I use Clearpay to buy things from JD Sports online. You get charged £6 if you don't pay it on the date. I make 4 payments every two weeks so it splits the amount up so I can afford it."

"I use Clearpay and Klarna which allows me to pay off in instalments without interest. As long as you pay it on time. It's online only but allows you to split it into 4 payments."

"I wouldn't be able to afford things without buy now and pay later. I have an Argos Card which is buy now pay 6 months later with no interest for the 6 months. I try to pay it off before the interest kicks in but it doesn't always happen."

"I use a Credit Union loan for things like a new front door (I'm losing lots of heat out of the old one) or a washing machine or tumble dryer."

High-cost Credit

Many of the women were using high-cost credit with examples of credit and store card debt, catalogue debt, buy now pay later offers, overdrafts and doorstep lending. They mentioned convenience and ease of borrowing as a reason for using high-cost credit. There were also examples where women were unable to borrow elsewhere and had therefore turned to this type of credit. Most of this borrowing was for essentials and for helping people to manage their bills day to day not for extras or luxuries. Many reported being in a cycle of debt and struggling with repayments which meant that they were unlikely to escape these debts.

"I have an overdraft arrangement which is as high as it can be. It's the banks money I'm spending. Every month I'm using this overdraft."

"I use both the Studio catalogue and Very catalogue. If you miss one payment they are very strict. I got into bad debt with Very. With Studio I only use it when I really need something like a new coat or bedding for the kids which I can't afford to buy outright. I will buy it and then pay it off."

"I don't get loans, I have an account with Very. I get what I need and pay what I can a month. I am a single parent with 4 kids on Universal Credit. You don't pay anything for 12 months – then you don't realise and end up paying lots after that."

"Debt just rolls on and on, you're constantly moving debt from one credit card to another."

"I struggle with buying clothes. I use a credit card to get clothes for the kids. Then a few months later you have to get more because they grow so fast."

"I use my credit card for petrol, for furniture, for everything and if I need to make bigger purchases. I try and pay a bit more than the minimum every month it's £40 but I try to pay £80 or £100."

"When I went to University I had an overdraft of £1,000. I started work and my wages just went into the overdraft. I was always going into the overdraft and getting charged on it. Then I went off on maternity with my son and my wages went down to £500/month and we still had the mortgage, life insurance, home insurance, etc. to pay. I ended up getting some credit cards to help make ends meet and for doing the weekly shop. I had £1,000 on a credit card from my first maternity leave. I went back to work and started paying it back but then I had a second maternity leave and was back on maternity and struggling to pay the bills again. I'm now switching the balance from one credit card to another. I keep transferring to another card with no interest so that I'm able to pay some of it off without getting charged."

Doorstep Lending

A significant number of the women reported using doorstep lending and many were in a cycle of borrowing from these lenders. They often used this type of lending because they were unable to access credit elsewhere and also because it was a convenient and easily accessible form of lending. All of the doorstep lending reported was in urban areas and the lenders were often well known in the local area.

The women reported that almost all of this type of lending was for essentials and to make ends meet. Most were aware of the high cost of this credit but they felt they could meet the repayments and they needed the money.

"I can't save. With the kids something always comes up. My daughter needed new shoes. I am already in debt with doorstep lenders Provident and Skyline. For every £100 I borrow there's £50 on top."

"For every £100 I borrow [with doorstep lender] there's £65 on top."

"I have started off in a cycle of debt with doorstep loans that I'm not going to get out of."

"I understand why people take doorstep lending debt on – they can give you £300 straight away so it's tempting for people to take this. People on low incomes can't access money everywhere and it depends on their credit score. Provident, etc. don't care about your credit score."

Illegal Lending

This is a difficult area to gather evidence on because it is surrounded by secrecy and fear particularly if the lending is connected to paramilitary groups. Some of the women said they knew that the loan shark they borrowed off was connected to a paramilitary group and others did not understand that it was an illegal form of lending they just saw it as a local money lender providing a service. Others were aware of paramilitary lending in their local area but much of their evidence around this issue was anecdotal. These issues make it difficult to understand the true nature and extent of this problem. What is obvious is that it is a more dangerous form of borrowing and many of the women understood that. This type of lending was only reported in urban focus group settings.

Fear of the consequences of not meeting repayments to loan sharks was evident and in some cases the women reported stories they had heard about what happened to people who didn't make their payments. Some however disagreed and said that these lenders wouldn't be violent if people couldn't make the payments. There was some degree of acceptance of these lenders because they were able to help people who couldn't get money elsewhere and that they were fulfilling a need in local communities. In some cases, lending through loan sharks/paramilitary lenders was actually cheaper than doorstep lenders who provide legal forms of lending.

"I have a debt to a paramilitary lender. On every £100 I pay £30. I pay it back every 2 weeks. On £1,000 I pay £300 interest. I work full time but still have difficulty making ends meet on a low income. You ask these lenders can I borrow £1,000 today and they will leave it round to you that night."

"If you don't pay back you get your windows put in first. I heard a local woman got her windows put in for not paying back a loan."

"The local paramilitary charges £40 for every £100."

"You get your knees done if you don't repay – there are so many things they can do."

"If you can't get a bank loan, a Credit Union loan because you have to have savings, or payday loans then after that it's paramilitaries."

Informal Lending

Informal lending particularly from family and friends was widely reported. In some cases, women only needed small amounts of money to tide them over until they were next paid. As before, this money was being used for essentials often to top up electricity or gas meters, to help with bits of furniture or help with school costs. For some there was an element of guilt of borrowing from family.

"I couldn't afford to buy a sofa. My dad ended up buying it for me. I really rely on other people."

"I borrow off my brother at least 3 times a month. Most of the time I pay him back when I have it but sometimes if I really can't he won't ask for it back."

"My mum helps me out. My sisters also help and lend me money. I had to borrow £8 off my sister for electricity at the weekend. She gets benefits too and has a credit card bill. I was running out of electric and had no money so I asked her for a tenner but she only had £8 which she gave me. I met her at the school gates and she was asking for it back."

"My mum helps me out with school uniform, she bought the kids shoes."

Living on Benefits and Debt

It is clear from discussions across all the focus group sessions that living on social security benefits often does not provide enough income to afford the essentials and meet basic household bills. This drives many women to debt in order to make ends meet. Living on benefits means that many women are unable to save to build up a financial buffer for unexpected events such as needing to replace an item of broken furniture or replacing a cooker, fridge or washing machine. Again this drives them to credit in order to meet these costs. The impact of increases in the cost of living are further putting a strain on the ability of social security benefits to meet basic household expenditure.

"Benefits are not rising in line with the cost of living. It used to cost me £40/week to feed my 3 kids now it costs £100 – part of that is because they are getting bigger but it's also about the rising cost of food. Benefits are not going up but rent is going up, food is going up, electricity is going up."

"They don't care that you have to pay your rent, etc. out of what you get on benefits. My child's glasses recently cost me £80. Where am I supposed to find that money?"

"I usually have three OK weeks and one bad week or a flat week on benefits. I'm always a week behind. Next week I'll be paying this week's debt and it goes on and on."

Universal Credit

The way Universal Credit is paid and problems with the benefit such as the five-week wait and managing Government debt repayments are contributing to financial hardship and debt. The five-week wait in particular means that claimants start their Universal Credit journey in debt. Most claimants need to take out some form of lending in order to survive the wait either in the form of a loan from Universal Credit (Advance Payment) or some other form of borrowing. Many of the women had taken out Advance Payments and were struggling with these repayments and some had tried to survive the wait by borrowing off family/friends as they were scared of getting into further debt. Repaying Advance Payments and other Government debts from a claimant's Universal Credit award means they are living on much less than the standard rate of Universal Credit which is clearly impacting on their ability to meet necessary household expenditure and driving up debt.

"I never get the same amount each month so it makes it harder to budget and to stretch to buy the things I need to buy."

"There are so many issues with Universal Credit, not just the five-week wait but the way that wages are paid can mean that you get two payments in one month which throws you out of Universal Credit. All these little things add up and make people more likely to go into debt."

"During the five-week wait I had to go to my mum for help but what if you haven't got family? I could have got the loan but I'd have to pay it back and I knew it would be a struggle. We lived a very limited life during the wait and just paid for gas, electric and food. This is another thing that pushes people into debt."

"I've been on Universal Credit a year and a half now and it means I can't afford to pay off my Credit Union loan."

"I got paid off from my job in October – my contract was terminated after I had been off on sick. The five-week wait was awful. I didn't take the Advance Payment I couldn't afford to repay it so I didn't want to take it. I just about managed with help from my friends and family."

"How on earth can someone manage to live on what they get on Universal Credit if they're paying back an Advance Payment?"

Universal Credit Uplift

As a result of the Covid pandemic the standard element of Universal Credit was increased by £20/week. Those women on Universal Credit really felt the benefit of this increase and consequently acutely felt the loss of the increase when it was cut in October 2021. They reported how the cut to Universal Credit meant they struggled more to pay back Advance Payments and other debts. Coming as it did alongside significant increases to the cost of living the cut impacted on their ability to meet basic household bills such as energy costs and food.

"It was easier to repay my Advance Payment when I got the £20 uplift, now it's harder."

"I used to spend the £86/month uplift on gas/electric – we're using more now because it's winter and it was cheaper when the uplift was there. Now they've cut it when we use more and it's more expensive. It's stressing me out."

"The £20 uplift was helping me pay back my Advance Payment but now paying it back is really impacting."

"Due to the cut I had to start taking money out of my savings which I had put aside for Christmas and other emergencies."

"I really find a difference with losing the £20/week. I have had to cut back on my budget for food and electric. My heating costs so much we have Economy 7 – it costs a lot but there's no real heat."

Discretionary Support

A number of the women in the focus groups had used Discretionary Support through the social security system to access help. In some cases, grants had been provided for household items such as beds but for most who had used Discretionary Support they were offered loans. Others reported that they would have been too embarrassed to ask for this help and would never have applied despite the fact they could have really benefited from either a grant or an interest-free loan.

The women reported issues with the telephone application process in terms of the length of the call and the intrusive nature of some of the questions they were asked which made the process feel degrading. Some felt it was very difficult to get help through Discretionary Support because of the eligibility requirements.

"I went to Discretionary Support for money to buy food, etc. I thought I was going to get a grant but it was a loan."

"My mum bought a cot for my baby as Discretionary Support wouldn't help me with it."

"My husband was off work due to long Covid but his sick pay stops after 12 weeks. We had no money and approached Discretionary Support for help but we were told we would only get £39 which had to be paid back the next week. No grant was offered."

"You can't get another loan until you've paid off what you owe. When you get Discretionary Support you have to pay it back it's not a grant anymore."

"Discretionary Support ask very intrusive questions – how much is in your account, what do you have in your cupboards?"

"There's more chance of pulling the sun out of the sky than getting help from Discretionary Support. You have to meet the requirements and spend hours on the phone to get any help."

"Discretionary Support should be there to support you, there is no compassion, you are made to feel like you are begging, you are made to feel lower. The process is so degrading."

Working Poverty

Some of the women attending the focus groups were working, often part-time on low incomes. They reported finding it difficult to make ends meet in low paid work with little or no help to manage their bills and leaving them more vulnerable to debt.

"Working people are the new poor. I'm a single parent, I work and get Tax Credits. My ex has not paid me anything for six weeks. I have got presents for the kids but I don't know how I'm going to put on a Christmas dinner and afford the food shopping."

"The Government don't do anything for those who work. They give help to those on benefits sometimes but they need to help people in low income work too. For many people they are better off on benefits."

"My partner is self-employed and we get no help with anything."

"The money that you get from low paid work doesn't level up to your bills, sometimes you would be better off on benefits."

"If I had to pay childcare I couldn't work. I couldn't afford £800-£900 out of my wages. My parents and my partner's parents share looking after the kids. I give them £200 a month and even though it's not much it's still a lot out of my pay. There's no support for those working on low incomes."

"I send the kids to school and it costs £30/week for dinners because I work. I don't get any help with school uniforms. There's no help with childcare either so I have to use granny and granda."

Rising Costs of Energy

The rising costs of energy bills came up at focus group sessions time and time again. Paying for electricity and heating bills is a significant amount of household budgets and women are really feeling the impact of the rising costs of energy. This is putting pressure on already stretched household budgets with many severely limiting when their heat can be put on usually timing this to when their children are at home.

"I used to pay £15/week on gas and £10 on electric. Now it's £15 on electric and £25 on gas a week to keep the house warm."

"I put £40 in my electric and it beeped before the end of the week so I had to put another £5 in so that's £45/week. The gas is £30. Petrol is £80/week, when I got the car it was £53/week. I need the car to get around."

"I send the kids to school and it costs £30/week for dinners because I work. I don't get any help with school uniforms. There's no help with childcare either so I have to use granny and granda."

"I don't put the heat on as much. I don't like a cold house but I maybe just have it on for one hour for when my son is waking up. The living room is very cold. But we have to watch when we put the heat on."

"I usually buy oil in small tanks of 25 litres every week or second week. I can never buy 500 litres. If you buy more it's cheaper but you have to have enough money to do that."

"Now when I go to bed at night I'm switching all the sockets off too – anything to save a bit of money."

"I had to take the heating off the timer and just put it on for shorter periods as I can't afford to have it on an hour at a time. The rest of the time I'm just putting layers on to try and keep warm."

Rising Costs of Food

Women were not only struggling with the costs of energy bills increasing but also with increases in their food shopping. These issues combined to ensure that their household budgets were put under severe financial strain with many having to make difficult decisions over paying their bills or going without. The tension in their household budgets meant that some were having to choose between heating and eating.

"I used to spend £60 a week on shopping for me and the three kids. Now it's over £100/week. I ended up going to the social supermarket it helps me so much."

"You really notice the price of food – deals that were £1 are now £1.50 and you're paying more for less. I'm going round to other shops to try and find cheaper deals but then you end up paying more in petrol to drive around the shops."

"I've started shopping in different shops and just as and when I need rather than doing a big shop. I can't afford to do a big shop anymore. You used to able to fill a trolley for £50 but now you can't do that anymore, it's got so expensive."

"We're having to choose between paying for gas or paying for food."

Christmas

The majority of the focus group sessions were held in the run up to Christmas and for many of the women concerns about meeting the costs of Christmas were foremost in their minds. Many were stressed about how they were going to afford to buy presents for their children and a significant proportion said they were getting into debt for Christmas presents. Some reported saving and borrowing through the Credit Union while others were turning to the Social Fund for loans to help meet the costs from their benefit payments. Others funded Christmas through catalogue or credit card debt.

"Last year I got into debt over the costs of Christmas. I was in debt for £400 on a credit card because of the costs of Christmas and it took me to July to get it paid off."

"My daughter wants a phone for Christmas but they are very expensive. I work part time so I will have to use finance to afford it."

"I've applied for a Budgeting Loan as I do every year to help me pay for Christmas. There's no interest on it."

"Facebook nearly put me away in the head – looking at all these wonderful lives it puts the pressure on. It puts pressure on people to be the same and have the same things. At Christmas photos of families all in the same Christmas pyjamas – that's £70-£80. There's no way I could afford that."

School Costs

The issue of school costs was discussed at almost all of the focus group sessions with women feeling the financial strain of providing money to their children's schools. This included money for lunches, the cost of stationery, snacks, afterschool activities, art, HE, etc. Many of the women also struggled with the cost of school uniform including school shoes and PE kit. Household budgets were tight so these additional costs put severe strain on women's ability to make ends meet.

"For the gaelic team it's an O'Neills top, shorts and socks then half zip and tracksuit bottoms costing £80. I didn't have the money, I just don't have the money this side of Christmas."

"My son had to get a dressing gown to go into school for a Christmas play. It was £8 and I had to scrape the pennies together to get it for him."

"It's not even Christmas yet and I'm on the 3rd pair of shoes for each child since September as they keep busting them. I have to be selective what shoes I can buy."

"Kids always need money for school – school trips, charity, etc. It's constant what they need and you are constantly worrying about it."

The Covid Pandemic

Women were asked about the impact of the Covid pandemic on their debts. Many experienced increased costs due to lockdowns as their children were at home and they were having to feed them and heat their homes. They were also having to try and keep them occupied especially where they had younger children and this also increased costs. A number who were working reported drops in income due to job loss or reductions in working hours and this led to a financial struggle which for some meant foodbank use and additional debt.

In terms of help for Covid most of the women had not received any help, either from the Government or otherwise, in relation to meeting their bills. Some who could have availed of help had not heard about the help available and therefore did not find out about it. A number reported seeking help with housing costs through their landlord. For those who had received some kind of help with their bills the help was mostly viewed as useful especially in relation to support through the benefits system. However, in relation to housing or credit card payment holidays, some of the women were concerned that they would eventually have to pay the extra back anyway so it may just be better to continue on with their payments if they could rather than take the break.

"I lost my job due to Covid. I lost all my income. I worked 20+ hours a week as a waitress. My wages just stopped. I had to borrow money off Discretionary Support and go on Universal Credit."

"My son is now working at home so that's costing me more for heat and food."

"I got a credit card holiday for three months but that's all the help they gave me."

"They stopped taking my overpayment because of Covid for a while which did help but then it is a kick in the teeth when they start taking it back and then they cut my Universal Credit too [loss of the uplift]."

"The mortgage holiday helped for three months but then I had to start paying it again. It was helpful at the time but it would have been better to have other savings. At the end of the day they still add on these three months and I still have to pay it."

"For Covid my landlord did offer help with rent but I know he will just end up asking for it back in a lump sum so I didn't take it. He said he would give me three months off. I'm in private rental. I knew he would just ask me for it anyway so I just kept trying to pay it."

Debt and Mental Health

The links between debt and mental health issues were discussed widely at the focus group sessions. Most of the women reported that the level of debt and money worries they were living with had impacted negatively on their mental health causing stress, anxiety and impacting on their sleep and quality of life. The constant weight of debt and worrying about money was very evident in these discussions and many felt they had little chance to escape from their debt situation.

"Debt causes stress, anxiety and sleepless nights."

"Debt destroys your mental health."

"Mental health has an impact on physical health. Stress/worry levels cause high blood pressure, heart problems. Very severe physical illness can come from the management of money worries."

"It's very stressful being in debt. I have had more panic attacks about how I'm going to get through the rest of the week."

"I will wake up at four in the morning worrying about how I'm going to afford Christmas. It just heightens your anxiety levels. I ended up having to go to the GP to get something for it. Debt is a big part of that. Every time I hear about gas or electric going up I wonder how I'm going to cope."

"Debt affects your mood and your relationships. You become stressed and have a short fuse and snap at each other about small things."

Life limiting impacts of Debt

In addition to mental health impacts it was also evident the impact of debt on women's lives in terms of what they could not do and what their children could take part in. It was clear that living with debt and money worries meant that they missed out on living their life to their full potential and that their children frequently missed out on activities and opportunities because of a lack of money. This lack of money and debt impacted on their social interactions, the ability to have a social life, afford small treats, take part in activities or clubs and learning new skills. It is clear the guilt that comes along with this for these women particularly when it comes to limiting what their children can be involved in.

"You don't get to live your life. You can't even go for lunch with a friend. You feel guilty if you ever do."

"My friends were organising a dinner out and I said don't put me on that list. I know I can't afford it."

"I feel guilty if I do go out. I don't want to be included in things. I can't even do a cup of coffee with someone."

"My children are not able to take part in activities and clubs because I can't afford them. I feel terrible about that."

"My daughter was asking could she go to gymnastics club because her friend is going. I just can't afford all the costs for uniform, fees for competitions, etc. I feel terrible but I can't afford it and that means my daughter is missing out."

"I used to have a treat day for the kids where I would have bought them buns. But I've had to cut back and pull my spending in. I used to spend about £12 on buns for them one day a week but it has had to stop. You have to be more aware of your shopping and get good deals."

Women and Debt

In the focus group sessions there were many examples of mothers going without to make sure their children were provided for. Women talked about going without food and other items such as clothes and heat to make sure their children had enough. This was particularly the case for lone parents. The women talked about how things were more expensive for women including the costs of period products, underwear and haircuts and that this was an unseen impact on their budgets. They also spoke about how women were more likely to take on the burden of debt in households as they were more likely to manage the budgets and take control of spending for children. Women discussed the negative feelings they had about not being able to provide for their children and how difficult it is for them not be able to give their children what others have.

"I always make sure my son has enough even if I don't."

"Sometimes you struggle between turning the heating on and feeding the children. As a mother you'd go without to make sure the kids have what they need. I've made dinner sometimes and there hasn't been enough for everyone so I've lied and said it's alright I've eaten so that I can try and make it stretch."

"If you're on your own it's hard, there's no support there and if you've no family then you can't borrow off them either."

"There are lots of extra costs for women that are not seen – bras are expensive and there are costs with period products."

"Mentally you think that you are failing your children if you can't give them the things they want – all you want is the best for them."

"Coming up to a child's birthday or Christmas it's always the mum sorting this out, getting presents, what the children want. They sort out presents and household budgeting."

"Women are the ones who often give up/do without to absorb debt rather than let it impact on their children. I'll do without spuds and put the spud on the child's plate. Women are at the frontline of this."

Debt and Migrant Women

There were particular issues around debt for migrant women. Women asylum seekers reported more reliance on family/friends for borrowing as they have limited options for formal borrowing. Migrant workers also spoke about borrowing from family/friends and a number were aware that their husbands/partners had debt but that they did not know the details about these debts. Most reported they had got no help with Covid other than the temporary increase to Universal Credit and knowledge of doorstep lending and

Discretionary Support was low. There was an awareness of the Credit Union and some had taken used it to borrow money but mostly through their partners. In other areas migrant women had similar issues to all the other women struggling with affording the costs of Christmas, heating their homes and feeding their families.

"I'm an asylum seeker. I can't get loans. If anything I take a loan from a friend or someone I know who is willing to help. My best friend would help me out and I'd pay her back later."

"My husband has debts but I don't know what they are for."

"First I try to borrow off family/friends. My husband's sister sent us money through Paypal to help us."

"I try to cover the cost of Christmas myself but I struggle. I got help with toys before through a charity. All the costs together at Christmas make it harder – to be able to afford presents and food."

Debt and Rural Women

Many of the discussions with rural women centred on similar issues to those discussed in the other focus groups including the struggle to afford heat, increases in the cost of living, the impact of Covid and stigma around debt. However, for rural women there were even deeper issues of stigma around being in debt. Many reported that there were concerns about people "knowing your business" in rural areas and therefore talking about money and debt was even less likely.

Borrowing through the Credit Union was more commonly reported for those in rural areas and it was seen as a more acceptable form of borrowing because it was traditionally viewed as being more community based.

Rural women reported issues with Brexit and the fear of a loss of subsidies which help many rural businesses. Added to this the impact of Covid and rising prices and this led to fears of even greater impacts on household budgets. Many farms were worried about paying for machinery and the increasing costs of animal foodstuffs and fertiliser, etc. All these issues have the potential to drive these families into debt or further in debt. Many of these rural businesses, in particular family farms, will continue to operate even if they are not profitable as they are part of families often going back generations.

Some other rural families rely on the construction industry and many of these workers are self-employed. They were often badly impacted by Covid as there was little Government help available to them while they were unable to work. For those involved in cross-border construction work they found themselves unable to get any help in either jurisdiction.

Access to transport is also a greater issue in rural areas with many families needing to run a car as public transport links are poor. This is a further drain on their budgets and the increased costs of owning and running a car were noted for those in rural areas.

Home heating oil is often the only option in rural homes. The women discussed the problems they experienced affording the amount of money they needed to place an order for a delivery of oil. For some women this was very problematic. If they were unable to afford enough money to place an order for oil they were buying smaller tanks of oil at local shops which was very expensive but which involved a smaller outlay of money all at once. This was a very expensive way for them to heat their homes but the only option available to them.

For some people in rural areas it is harder to access support services due to a lack of infrastructure in local areas. For some there were confidentiality issues and they didn't want to use local services in case people knew their business.

"Debt is not something people easily talk about in rural areas."

"Many farms are asset rich but cash poor."

"In farm families they are having conversations about the price of things – how will they afford the things they need such as fertilizer and meal, etc. which is all going up in price. They are saying things like I don't know what I'm going to do, how will we go on? Those conversations are more open now."

"There are changes in the Government subsidies and worry will that put families into debt. Brexit is allowing the space for these discussions – it may not be your fault but the fault of external pressures."

"In rural areas people don't like to talk about money whether it's good or bad. Not even if they are doing well but especially if they are not doing so well. It's not a subject you talk about!"

"More traditional forms of lending are more common in rural areas. Most of the borrowing is through the Credit Union – it's seen as being more family/community orientated. There is not the same stigma with it. It's much easier to say you got a loan out from the Credit Union – it's more acceptable."

"In rural areas transport options are not options. You need a car. They cost money to buy, maintain, insure, tax, etc. The more you can afford to spend upfront the less it will cost you as you go along. It's a catch 22 situation."

"Many of those who are self-employed in construction can't get any help at all. It's even more complicated if they work in the South and live in the North. They can't get help in the South either as they are not resident there. There are a lot of border issues for those people living in the North but working in the South."

Help with money and debt – Foodbanks and Charity

A significant number of the women who took part in the focus group sessions had used a foodbank or received help from a charity to make ends meet. Others reported regularly using charity shops to buy clothes for both themselves and their children. While it was generally acknowledged that there was more acceptance and less stigma around using charity shops and foodbanks there were still some women who felt they could not use them due to guilt or shame even though they really needed the help. Some felt that Covid had lessened the stigma around getting charitable help as many more people were in the position of needing to rely on charity and it was therefore more acceptable.

"I don't feel like I could go to a foodbank even though it would really help me. I feel like I would be taking it away from people who need it."

"Last year I got a hamper from St Vincent de Paul and I felt really guilty for it even though I really needed it."

"I went to the charity shop to get a coat. It was only £2 but I asked if I could pay it later in the week as I didn't have it. The man in the charity shop just gave it to me. It meant so much to me to get that coat."

"It shouldn't be charities and places like St Vincent de Paul picking up the slack."

"My son had a school trip away but he didn't have enough clothes to go. I had to go to the charity shop to try and get him clothes so that he had enough to go on the trip."

"I felt so guilty about taking the baskets of food but they really helped."

Help with money and debt – Advice Services

There was some knowledge among the women at the focus groups of the advice services available to help people with their debts but also a general acceptance that these services were very busy due to the level of demand for this work. Covid had also helped to widen access to these services through phone, email and online. However, despite the existence of these services there were still some people who did not know about them and others who would continue to struggle on with their debts without getting help until things became really desperate. The women recognised that for many people it was a big step to seek help with their money situation or debts and for those with mental health problems it is even harder.

"People are waiting weeks for debt advice appointments due to demands on the service. People have gone so far as to make this step by making the call, often their mental health has been impacted and they are usually at crisis point and waiting a few weeks on a debt advice appointment can be hugely damaging."

"Many people struggle on until something happens or someone recognises that something is wrong and speaks to them about it. People just get into more and more debt and struggle on."

"People really need help with money especially people with mental health problems. We [voluntary sector group] are helping a woman with mental health issues, severe anxiety and a child with a disability. The thought of sorting out the forms around getting free school meals and other financial help was overwhelming for her. Dealing with all the forms and the system was frightening for her and for many people struggling with mental health. They don't know where to start. She really needs free school meals and is struggling with money and the worry of it all. People really need help with these things."

Help with money and debt - Women's Centres

Many of the focus group sessions were held in local Women's Centres across Northern Ireland and it was obvious the value and positive impact of the Centres to the women who used them. Women's Centres provide a range of services to low-income women including childcare, access to advice and information, food and foodbank vouchers and help with clothing, furniture and other household goods. The centres also provide valuable opportunities for friendship, support and social inclusion as well as opportunities to share information and access other sources of help/signposting.

"Sometimes I think it's all too much. I have no family here and just have the Women's Centre and SureStart. I have no family connections of my own here and sometimes I have suicidal thoughts. The Women's Centre gives me a reason to go out of the house and occupy my mind. It gives me time away and I can have a cup of tea and talk to people."

"The Women's Centre is my lifesaver. They worked all through the pandemic to help people. They were flat out for the whole pandemic. They provide great support."

"A lot of people don't know about the help in the Women's Centres and there can be a bit of stigma around coming here. It's been my lifeline."

Financial Education

Some of the women felt that there was a need for greater education around money and debt to enable people to manage their money and to better understand the cost of the different types of debt. They felt that this needed to start in schools and with younger children.

"Education is also very important around money and debt. It's about feeling confident about money issues, being aware of marketing and knowing what things like APR mean. This needs to start in schools – giving children skills in money management and debt."

"There should be education on money from primary school so that future generations don't have the same issues. Young people need lessons on how to manage money."

"Education is very important not just at 16+ but for younger children also."

High Street Spend Local Scheme

As a result of the Covid pandemic the Spend Local Scheme was developed as part of a range of measures aimed at stimulating economic recovery. The scheme gave each eligible person in Northern Ireland a Spend Local prepaid card worth £100 to be spent in local businesses from October to December 2021. In focus group sessions women discussed what they used their Spend Local card to buy. The vast majority of women had used it to buy essentials such as food, clothes and energy bills or to help with the costs of Christmas. Only a small number had used the card as a "treat" for themselves as they didn't normally have the ability to do this due to living on a low income.

"The card was really a big help for families. I used it for oil."

"I will use it for Christmas as I'm struggling to afford kids toys."

"I spent £60 on kids clothes that were needed and the rest is going on gas and electricity."

"I used half of my mums on clothes for the kids."

"I'm sick of buying everyone else clothes and never anything for me so I used it to buy some new clothes for me."

What Government could do to help people with debt

At the focus group sessions women were asked what Government could do to help people with their debts. The responses were centred around increasing the amount of money those on low incomes were expected to live on so that they could afford the essentials. Suggestions included raising the level of social security benefits and the minimum wage so people had enough money to live on without having to live in hardship or have to get into debt for essentials. There was an overwhelming feeling among the women that Government did not care about them and about people who are struggling to make ends meet. They felt abandoned and that Government did not understand the realities of life on a low income. Some of the women suggested the need for a form of low or no interest borrowing to be available especially for essential items.

Women also suggested that it needed to be easier to access help and advice with money issues and with debt. They reported problems with call centres, the increased use of online information and always being directed to websites as well as a loss of locally based services.

"They need to raise the minimum wage so that work pays. They should do something to help clear people's debts so they can start with a clean slate."

"It would be good if the Government could give people more money in benefits. You are expected to live off what they give you but they couldn't do it. You have to buy shopping, clothes, gas and electricity with what they give you but you can't do it. You can't even afford to get a new pair of shoes, you have to borrow."

"There are no decent jobs for people to go for – poor contracts, zero hours, poor quality work. People need guaranteed work so they know what their income is going to be and there are issues with people not getting holiday pay, sick pay, etc."

"Government need to take into account the cost of living so that people can get the amount of money that they need to live on."

"They need to make things accessible on the ground – very often rural people trust their local services and community workers and this can be used as a conduit to other services."

"Help services must be more accessible for people and available in local areas when they need it."

"Our politicians and the people who make decisions need to look at all these issues – people living on benefits, in part-time work, the low paid – they don't know what it's like, they just don't care. Politicians don't understand the realities of people's lives and just how little they have to live on and the impact of even small rises in costs."

"You always hear about old folk getting help at Christmas. Pensioners always get help. But there's nothing for lone parents. Government always think about pensioners getting money but what about lone parent families?"

"They need to have loans with no interest or an interest cap."

"All the people who work for the Government don't understand people worrying about where their money is going to come from. They need to spend some time in our shoes."

"There needs to be somewhere for people to go if they need money for essential things."

"The people at Stormont are not talking to us. We are invisible to politicians, we're just bugs to them."

"The Living Wage is a joke – it's not enough to live on. There needs to be a proper wage that keeps up with inflation. How are you able to get enough money to pay your rent, etc?"

3.4 Case Studies

CASE STUDY ONE

I'm a single parent with 3 kids. Part of my debts are due to trying to go self-employed and the costs for the business which I couldn't meet. I bought a lot of stock which I couldn't move and Covid made it worse as there were even fewer clients for the business because of the restrictions. This has added to my debt levels. I mostly owe through overdrafts from the bank and I'm in debt of approximately £14,000. I didn't qualify for any Covid help because the business was too new. I'm considering going to a doorstep lender to try and clear my overdraft it's on my back and I need to get it off my shoulder.

I am in receipt of Tax Credits and got the £20/week uplift but now it's been cut I really notice the difference. The cut happened and then everything got more expensive. I noticed tins of corned beef which used to be £2.50 now they're £4. Bread is now £1.29 and it used to be 89p – it had went up to £1.09 and it is now up again. Little things I used to get like pasta and spaghetti for 20–30p now you can't get the cheaper ones anymore and it's now 60p.

It's been really cold the last two weeks and I'm having to be really careful when I switch the heat on. I put £40/week into the gas now. Electric is not as bad but it is still more than it was. Gas is the real killer.

I have 3 kids in the house, I'm always going without to make sure they have what they need. The little one needs new school shoes and I'm trying to figure out how I'm going to pay for them. There is nowhere to take the money from. He needs them so this week I'll cut back on gas and not do a full shop so that I can save some money for his shoes. My shopping is expensive as I have two kids with allergies and they can't eat some of the cheaper things. The car needs fixed but I can't afford it so it's sitting in the drive. That means I have to take taxis and I end up using all my money.

It has got to the point where it's overwhelming and now the kids know too. We had to have a conversation and I told them I couldn't afford to get what they wanted for Christmas or for their birthdays which are in January. I just had to tell them I just don't have it this year. I usually still find a way to do it using my overdraft but I just couldn't this year.

My mental health has been very impacted by these debts. I suffer from PTSD, bipolar and depression and the impacts of those flows through the house. It has put a lot of stress on us. I feel sorry for the children as they have absorbed a lot of the stress. I just don't know what to do.

CASE STUDY TWO

I'm a single parent with one child at college. I am in receipt of disability benefits. My debts started when my mum died and I wanted to help towards her funeral costs so I used my rent money to do this. I got so behind I almost lost my house and my family had to step in and help me out.

I got a loan to pay my family back and this started my debt journey. I knew there were people lending money in the area and I put the feelers out about a loan. A local paramilitary lender loaned me £300 the first time and once it was paid off I kept borrowing off them. I pay £40 for every £100 I borrow from them.

I also have loans to a couple of doorstep lenders – Provident, Skyline and Morses Club. I have six different loans with Morses Club all operating at the same time. As soon as you get down to a certain level of credit they tell you that more credit is available so it just ends up going up and up. I have total debts of around £3,000 to all these lenders. I'm paying back £240 every fortnight. Some weeks I manage OK but I really notice my other bills going up now.

I have a credit card as well that I got online. There are adverts which say check before you apply and then they tell you we can give you credit and before you know it you have it. It's so easy to get sucked into expensive credit which solves one problem but creates another.

I borrowed from these lenders because it was easy, it was easy to apply and it was easy to get the money. I see adverts for credit online and it's so tempting when you need the money. It's really easy to get more debt, once I get one paid off I just get another. It usually comes down to borrowing for my daughter. She needed a laptop for college and I used store credit to get it. Instead of it costing £400 it's costing £600 this way. She needs it for college and I want to get it for her. It always falls to the mummy and I feel the pressure of that.

There should be a cap on how much interest they add on. It just keeps going up and up. Who is going to turn money down if you need it? You just end up getting sucked in. I get my money on a Monday and by Tuesday it's gone! I'm always behind on benefits I never get on top of things. I'm always robbing Peter to pay Paul. Debt never goes away I never seem to shift it.

There are nights I've sat and cried when no one else is around worrying how I'm going to cope. The next day you just have to get up and get on with it. If I fell apart the whole house would fall apart.

CASE STUDY THREE

I am a single parent with three children living on Universal Credit. I first got into debt when my TV broke and I took out some catalogue debt to get a new one. I got the TV and I was paying it off every month. Then my relationship broke down and I moved house. I was left with a balance of £50 for the TV but I couldn't afford to pay it. The balance just went up and up and I couldn't afford to do anything about it. I had bills from moving house and I needed a deposit for a private rental. The deposit was £1,000 and I ended up borrowing from my dad to afford it. But that meant I had no extra money for the debt.

Then it was Christmas and I was worried about the presents for the kids so I took on a doorstep loan from Provident of £300 for Christmas. I had to pay back an extra £200 on this. I have been paying it back over a couple of years but I still owe them. I had a debt to Skyline as well but I have paid it off. I have a debt to BT as I changed internet provider and a debt to Sky of around £250. I have also borrowed through Discretionary Support for bedding and things like that I've needed for the kids. I would really like to pay off all my debt and be clear of it.

After I borrowed from Provident my dad said don't be doing that and getting into debt that way. He advised me to go to the Credit Union. I've been with the Credit Union five years now. I am able to save a wee bit with them then get a loan and pay it off as the interest rate is lower. I don't want to be near doorstep lenders anymore. Their rates are very high but when you're stuck for money you don't care you just want the money for the kids or if your washing machine breaks down. I'm trying to learn from my mistakes in my debts.

I was moved on to Universal Credit when my son turned five. They said they could give me an Advance Payment of up to £1,400. It sounded good but I didn't want to take it out as I'd then have to repay it out of my Universal Credit every month so I just took £400 to help me pay my bills. My dad had to help me through it, he did some big shops for me. I have never used a foodbank but I could really have used the help during the five-week wait as I was really struggling. But I would have felt so embarrassed so my dad helped me a bit.

I think they should just give you a certain amount of money to survive the wait or make the wait shorter. The £20 increase was really helpful but now I really miss it. Even with the increase because the cost of everything was going up it didn't really mean that much extra. But now it's gone I'm having to cut down on food, gas and electric.

I'm in private rental and my rent is £600/month. I have to pay £80 out of my own money towards the rent. Everything else is going up so that leaves less money for everything. I don't put the heat on unless I have to for the kids. I have gas heating and it just keeps going up.

CASE STUDY THREE CONTINUED…

My tumble dryer broke last year. I really need it with three kids. My dad lent me the money and I paid him back over time. I couldn't get another Credit Union loan for it as I had already got a loan for Christmas. I'm lucky to have my dad. For a single parent on benefits the money is not great there's not a lot to live on and you worry all the time about your debts.

By the time I pay all my bills the week before I get my benefits I am skint. The kids ask for things and I have to say no because I haven't got the money. I give the kids a couple of pounds each when I get paid to go to the pound shop and buy some treats then we put it in a basket and that's all they get.

There's a big stigma around debt. I felt like a bad person when I couldn't pay my debts because I couldn't afford to. Sometimes I stress over certain bills. I'd love to pay all my debts off and start all over again. It would be nice to have a clean slate and to not have it on your mind.

CASE STUDY FOUR

I'm single and in receipt of Employment and Support Allowance (ESA). I borrowed a couple of hundred pounds to get things I needed like clothes and to help with household bills. I borrowed from a doorstep lender, I heard about them through a friend. I don't know how much interest I was paying back. The company went out of business and I stopped paying them because I couldn't afford to. They're still sending me letters but I'm ignoring them.

I'm struggling with increases in energy bills especially electric which has more than doubled. I use a meter it used to be £5/week I'm now putting in £15/week. It's getting more and more expensive. I could really use some extra help but I'd never go to a foodbank I'd be too embarrassed I'd rather go without food.

ESA is not enough to live on. I'm always having to sacrifice something to pay for something else – just for ordinary bills. Sometimes you just need a wee bit extra but your week's money doesn't last. Some weeks I either get electric or gas but I can't get both. Some weeks I just have to put coats on and use hot water bottles for heat, I use about three to keep me warm. If I prioritise electricity then I go without heat. I think the Government need to increase the amount of benefits to help people avoid debt or have a scheme that helps with vouchers for gas and electric to help people out a bit.

Debt has a huge impact on my stress levels and mental health. I'm in constant worry and stress and I have panic attacks about it.

CASE STUDY FIVE

My husband died recently and I live alone as my children are all grown up. I had been working but I came out of work when my husband died. I tried to go back but I couldn't do it and I went out on sick and eventually I was let go. I'm on Universal Credit and I have to pay the shortfall in my rent of around £20/week. I'm in rent and rates arrears and I'm paying back an overpayment of benefits. I applied for Discretionary Support for help with my ordinary bills. I didn't want to go to loan sharks and pay interest on my debt. It's always a loan they give you never a grant. I'm making the repayments but it's hard.

I had been getting an increase in my Universal Credit which was helping but it was cut and I really notice it especially with my gas and electric. I'm putting in double what I was. Everything else is going up but not benefits. It's a bad time for a cut when everything else is going up. Universal Credit is not enough to live on, somebody really needs to do something about it.

The price of stuff is just horrendous. Tins of Spam used to be £1 and the other day it was £3. Everything has gone up – food, gas and electric, even trying to get clothes. I saw a sign in the Women's Centre that said if you were struggling you could get help from the foodbank so I put in an order form. It helps me and if I've some left over I give it to my kids as they're struggling too.

I've really noticed the cost of gas. I live in a big house where I reared my kids but they are gone now and it's hard to heat. I want to move into a smaller house but I've been on the waiting list for seven years now. The house is hard to heat and I have to limit when I put the heat on. I just put it on for an hour but it cools down quickly so I'm sitting with all my layers on to keep warm.

I worry when I go to bed at night thinking about my debts. There isn't a week goes by without worrying about paying for something. I'm always worrying, it's horrible to be always worrying about money.

The Women's Centre is a godsend for me. It was two years before I could come here and fully open myself up to it. I've been here six years now and it's the best support. There's always someone to talk to and you're not dealing with it all by yourself. They helped me with getting hampers at Christmas too.

CASE STUDY SIX

I live with my partner and our three children. I have a 7-year-old, a 2-year-old and a lockdown baby. I was working part-time as a waitress for 16 hours/week but I lost my job due to Covid as the business closed down. I applied for Universal Credit and got an Advance Payment to get me through the five-week wait. It was eight weeks by the time I got my first payment. I got an Advance Payment of £900 it lasted me about three weeks. I had to borrow off my parents and use a credit card for groceries and clothes for the kids.

I really noticed the loss of the £20 uplift, it paid for my gas and electric and really helped but now I'm really struggling with those bills. I struggle to pay the gas and electric and have to borrow off my family. My mum, brother and grandma are good about lending me money. I normally try and pay it back but if I'm really stuck they might let me off. The social supermarket helps me too.

I wasn't able to pay anything off my credit card bill, I was missing payments and the interest was going on. I just wasn't able to pay it off at all. Then my partner got a tax rebate and that meant we were able to pay it off. If he hadn't got that the debt would have went on and on for years as I would never have been able to repay it. If Covid hadn't hit, I wouldn't have had to borrow. I would never get another credit card again.

CASE STUDY SEVEN

I work in childcare and my partner is self-employed.   My son is back home half way through his University course because of Covid and we have another son and a daughter who has a new baby living with us. Due to Covid my partner lost his job as a musician straight away. I was furloughed for a while too but fairly quickly back in work.

I have two credit cards with balances of £8,000 and £7,000 and we have a mortgage. Before Covid I was able to pay them but that changed after Covid. We took a 3-month payment holiday from the mortgage and the credit cards. This helped but we weren't any better off because the money all went elsewhere.

I am putting £40-£50 a week into the electricity meter. I'm working every week and balancing everything that comes into the house. My husband eventually had to take a different job in music because of the pandemic. It takes everything that comes into the house in wages to meet our bills, all the wages we have coming in all go on living. We got some food boxes delivered from community groups during lockdown which we really needed. My daughter got some help with baby things through a local community group too.

CASE STUDY SEVEN CONTINUED…

People think that if you work you have plenty of money but we really struggle. They think that when you work you have everything you need but you don't. We got very little help over lockdown from Government even though our whole income changed. You're not always better off working, it shouldn't be like that. We don't get any help with school meals or school uniform and we really struggled with these costs. My kids are all at secondary school and my daughter moved to a new school to do her A levels so she needed the full uniform. You shouldn't have to borrow for things like this when you work.

When things were really tight my mum had to lend me money. I was working but it just wasn't enough to keep us all. My husband went from working every weekend to being in the house all the time. It was a mental strain as well. I'm worried that we will end up back where we were in lockdown again.

My kids have been impacted by our debts. I'm just budgeting every week to try and save money for Christmas. I have grandchildren to think of too. But life has to go on. My kids have got to the stage now where they don't expect much they know how much we struggled over lockdown. We have oil heating and I just wait until night time to put it on as it's got so expensive.

I've had to use my credit cards at times to put petrol in the car or for shopping if we've had a bad week. I try not to use them but sometimes I have to. I do have to use credit cards for Christmas and that's why my balance never goes down! It's not for expensive things but just the wee things that make up Christmas.

Every day I pray my tumble dryer still works and keeps going. You just hold on to those things to the last minute as you can't do without them. It would be good to have access to a cheaper form of credit for essential things. It would be good for those in work to have access to some form of cheaper or low cost lending that was straightforward to access.

CASE STUDY EIGHT

I'm a single parent with five kids. I receive Income Support and Tax Credits. I'm in £3,000 of debt on catalogues most of it for Christmas. I have borrowed in the past using catalogues for Christmas and birthday presents for the kids. I used them because I knew I could afford the repayments.

I've noticed I'm putting a lot more on the gas meter now. Food shopping is also much more expensive. There are weeks I'm just about getting by. Sometimes I have to borrow off my family but only if I really, really need to.

I have been using the foodbank since before Christmas. I try and buy things in the shops that are reduced and freeze them. I try and make sure my kids eat healthy but healthy food is so much more expensive compared to processed food. I don't want my kids eating rubbish. I get Healthy Start vouchers and I use these for milk, fruit and vegetables and it's a great help for me.

I always try and make sure the kids don't suffer and they get what they need. I'll go without to make sure they have what they need. Debt is always making me worry about paying my bills and getting the things I need for the kids.

CASE STUDY NINE

Myself and my partner have a baby boy. I was working but I lost my job before Covid as the company went out of business. I was expecting to get maternity pay through work but I didn't because of this. Then Covid hit and my husband was furloughed for over a year. While 80% of his wages were being paid all of a sudden it was enough of a dip to make things really difficult. We didn't have the money coming in we were counting on and it tipped us over.

I have debts of over £2,000 on credit cards and with family members. I needed to borrow to pay for a washing machine, furniture and to help with the ordinary household bills. I am struggling to make the repayments. I always try and pay above the minimum for my own sanity so I'm not just paying the interest but it's hard. My husband is back at work now but we can't seem to get ahead of ourselves again with all the debt. I've had to use a foodbank due to a lack of money but they don't have everything I need so I still need to shop for fresh food and nappies for the baby which I sometimes struggle to get at the foodbank.

CASE STUDY NINE CONTINUED…

We didn’t take the mortgage payment holiday as we looked into it and it was going to end up costing us in the long run so we tried to make the payments and cut back on other things like heating for example. I am very strict about putting the heat on but looking back I think it was probably detrimental at the same time because we were cold. I’m shocked at the increases in our gas bills. I’ve noticed the difference, we rarely seem to be using it and yet the cost is still going up. It’s hard to get any help with these bills. The foodbank was giving fuel top ups at Christmas but we don’t qualify as we don’t have a meter or a top up card. We could have really used the help but we couldn’t get it.

We had a budget review on our electricity and they’ve increased my direct debit by £15/month but they didn’t give me much notice and it’s going up this month. I have already budgeted for all my direct debits so this will make me overdrawn. I think the utility companies could do more to help people.

Because we’re repaying these debts we don’t splash out on anything and we’re always cutting back on things. Everything I buy is from the reduced section or value items, I have to look for all the bargains. I’m always making do with things - things are broken but I’m still using them. I don’t feel like my son has been impacted too much because he’s still a baby but I can’t take him places or do things with him that I’d like to do because money is such a concern.

Our bed broke and it has collapsed. I worried myself sick at the weekend about the bed and how we’re going to afford to replace it. My husband said “let’s go and get a bed.” I feel like women do take on the stress about money, I worry about the repayments. I didn’t expect to have to be dealing with this – these things crop up that you aren’t anticipating and there’s no money for it. We’ll have to use a credit card to get a new one as there is nowhere else for us to go. The impact of having to buy furniture and white goods in the pandemic was horrendous for us. Every time you think you’re getting ahead of yourself you get walloped again.

CASE STUDY TEN

I’m a single parent with four children aged from 10 to 23 and they’re all at home now, because of Covid the older ones came home from University. I work full time as a classroom assistant and I’m getting Tax Credits but only for my youngest child. My work stopped for a period of time due to Covid and I was on reduced hours for a while. My income suffered because of this and because an after school club I normally run wasn’t able to operate due to Covid. I completely lost out on this extra money for over a year which enabled me to have a more comfortable life. It was like a buffer – it provided an extra amount for a new coat or shoes for the kids otherwise these items are a big drain on my income.

CASE STUDY TEN CONTINUED…

Covid made my household budget shrink so it's just the essentials only now. Food and groceries for the week's dinners and gas and electric and that's it. No treats like going for an ice cream or going to the shops. I had to cut back on everything.

I'm in low income work and I don't get any help as I'm just over the threshold. I've gone to so many places asking if there's any help I can get or anything I'm entitled to but there's nothing. It's really tough. I'm in debt to the Credit Union for Christmas. I'm having difficulty making the repayments, Christmas always piles on the pressure.

I struggle to pay my rent. I'm in Housing Executive accommodation and I'm in arrears with my rent of around £600-£700. The arrears built up over 2-3 months as a result of Covid and fluctuating wages. I'm still paying back the arrears on top of my weekly rent but it's a lot to make up when there's no help. It would have taken the edge off things if I'd been able to get some help with my rent, it would have been one less thing to worry about. Even £10 less a week would have helped I could have put that on my gas and been able to put the heat on at night.

I'm really noticing the increases in the price of gas. We can't have it on the same now just twice a day and only for an hour. I've also noticed the difference in the food shop, I've a set amount to spend on groceries a week and the prices just keep going up. There's nothing extra in my basket and even the basics are going up. My son went through three uniforms last year by the time he was in and out of school. He grew so much and the uniforms are so expensive.

It's really difficult as a parent you want your house to be warm, your kids to have clothes and good things to eat but you have to pick between these as you can't afford to do them all. As a single parent it's hard too as you've no one to fall back on. If you have to buy something you have to choose between that and something else. I had to buy a coat for my son but I had to cut back on essentials to get it.

I work full time and pay my taxes. It's very hard when you're doing everything society tells you to do and you're still struggling. It would help if work paid better and there was some help for people working on low incomes especially with rent. I earn £950/month in wages and £500 of that comes out in rent which doesn't leave much. Eviction is always a prospect. I got a letter saying I'd be evicted if I didn't make arrangements to pay my rent arrears.

I don't like talking about my debts, people don't know I'm struggling, it's a pride thing. There is nothing to lift the stress. I don't buy anything for myself, I will go until things are threadbare. I don't go out, I don't smoke, I don't drink, I just can't afford it. I just go to my work and come home and that's all there is.

CASE STUDY ELEVEN

I live in a rural area and I'm a single parent with one child. I work and claim Universal Credit. I have debts of over £1,000. I have a car loan as I need a car for work and because of a lack of public transport where I live. I have a catalogue debt which was interest free for a year which I took out to pay for a new phone which I needed for work and to manage my Universal Credit claim which is all online. I have until next month to pay it off but now I have nothing to pay it off with.

When I moved from Tax Credits to Universal Credit I ended up with an overpayment so my payments have been reduced to pay this off. I took out the catalogue debt when I could afford to make the repayments each month but I didn't account for the repayment of this Tax Credits debt. They are taking this debt off me at £100/month but I will have to ask them to lower it now that the Universal Credit cut has come into force and because of all the other rising costs. The cut to Universal Credit will mean I'll have to reduce what I pay to my other debts.

I've seen a big increase in my bills. I used to only have to spend £20/month on electricity but now it's nearly £35/month and its still going up. I use oil heating and had been able to get a small grant from the Department for Communities to help with this but the tank is only half full now and I can't afford another order of oil. I need £100 to put the order in but I just don't have it. I'm rationing it, I don't set the timer anymore I just turn it on when I need it for hot water, etc. I light a fire as it's cheaper and saves money on oil but you need money for the fire too.

I got some Covid help through the local Council as a single parent on a low income. I got a food parcel once a fortnight. I'm not ungrateful for this help but it was all processed food and no fresh fruit or vegetables. I don't want to have to feed my daughter all this processed food. I try my best in my shopping to get decent food which I batch cook to save money.

It's not just about eating and heating it's clothing too and children grow so much. I haven't bought clothes for myself in a long, long time. People talk about getting children out and about and involved in things but they don't think that they need the clothes and shoes and sometimes money to do these things.

I'm soaking up the debt myself. I try not to let it impact on my child but it does. Sometimes she is looking for stuff and I just can't get it for her. She is dipping into her own money from birthdays, etc. She sold some of her toys and a bike she no longer plays with and is saving that money to buy a table and chairs for her room. That's her money and I feel bad as her parent because I should be able to buy that for her. I took her shopping last week and she saw a lovely winter coat. I was able to give her vouchers that I had been given through some voluntary work. I had saved these up and only for them she wouldn't have been able to get the winter coat.

CASE STUDY ELEVEN CONTINUED…..

Debt is always there. It's like a mental fatigue especially when you're on Universal Credit. I'm constantly looking at my bills not just for this month but what's coming up next month. I'm always wondering if there is enough to cover what's coming up next month too.

When I go shopping it's always about mentally counting up how much I have to spend. It's constantly having to watch money, there's no reprieve from it and it's exhausting. It would be great to have a week where I didn't have to worry about money.

4. Conclusion, summary of findings and recommendations

The cost of living crisis, the impact of a global pandemic on jobs and household incomes as well as a less supportive social security system will undoubtedly impact on existing, already concerning, levels of debt. This is particularly the case for those on the lowest incomes many of whom will struggle to afford the basic essentials while juggling debts and increasing arrears.

This research with women in disadvantaged and rural areas of Northern Ireland shows the prevalence of debt in the lives of many local women. For significant numbers of these women their debts have arisen simply in order to make ends meet or to fund essential items. This includes white goods, furniture, clothes and shoes, the costs of Christmas and for many even more basic items such as groceries, fuel and energy bills.

What is clear is that the income from social security benefits or from low-paid work means that many women are unable to afford the essentials that they, their children and families need to survive. Perhaps most evident from the results of this research was the impact of rising costs of living on women’s household budgets. The squeeze on their budgets particularly for the most basic of items such as food and energy bills was widely reported impacting on their ability to put food on the table and heat their homes. Many women reported that these inflationary pressures were impacting on their debt levels as well as their ability to service their debt repayments.

Household budgets have been further impacted by the Covid pandemic. Covid has led to job losses, reductions in working hours, increased insecurity about work and reductions in household income. This is particularly in the sectors where more women are employed such as retail and hospitality. Support for those in receipt of social security benefits was temporary and the removal of the £20 increase to Universal Credit/Tax Credits was keenly felt by those claimants.

What is also clear from this research is the actions that women are often forced to take to protect their children and other family members from the impact of poverty and debt, acting as they do as the 'shock absorbers' of poverty within many households. This can include going without food, heat and other essentials such as clothing. While many women do all they can to protect their children from the negative impacts for some there is little they can do and they feel their children suffer as a result.

Living on benefits, in low-income work and struggling with existing debts means that many people are forced towards high-cost credit to make ends meet as cheaper forms of credit are not available to them. This is especially the case for women who are more likely to claim social security benefits, more likely to be in low-paid, part-time and insecure work and more likely to be providing care limiting their ability to increase their income. This can leave these women struggling to repay high-cost credit they can little afford, getting into dangerous forms of debt and can create a cycle of debt dependence which is nearly impossible to escape from setting a pattern for the rest of their lives.

While increasing debt levels are a concern for the economy the personal impacts of carrying the burden of unmanageable or problem debt can have serious implications for the health and wellbeing of people and families. This research clearly illustrates the negative impact of debt on women's lives and the lives of their children. Living with debt caused anxiety, mental health issues, problems within relationships and within families and limited their life opportunities and those of their children.

> "*Debt is far more than just a financial issue. It's a major cause of relationship breakdown, can hugely diminish people's well-being, and sadly leaves 100,000s at risk of taking their own lives."* [127]
> (Martin Lewis, MoneySaving Expert)

[127] https://www.gov.uk/government/news/new-scheme-to-give-people-in-problem-debt-breathing-space-launched

The findings of this research paper clearly show the negative impacts of managing debt on women's lives and on the lives of their families and children. It is important to acknowledge that problem debt is a significant issue with far reaching consequences for the economy, society and for the people and families on which it impacts. It is therefore crucial that the issues around problem debt are holistically addressed.

The Women's Regional Consortium have made a number of recommendations for policy change which are set out below a summary of the research paper's key findings.

Summary of Key Findings

- 56% of the women had debts over £1,000 with 35% reporting debts of £2,000+.
- The vast majority of the women's borrowing was for essential items. Women mostly borrowed for Christmas (39%), white goods (30%), household bills (30%), an inability to make ends meet (28%) and unexpected expenditure (23%).
- The use of high-cost credit (doorstep lending, credit/store cards, payday lending) was reported among 51% of the women. Worryingly, there were also examples of borrowing through loan sharks including paramilitaries (6%).
- A significant amount of borrowing from family/friends was also reported (32%) and this frequently involved smaller amounts of money to tide women over until they were paid or to help with purchases of furniture, school uniform, etc.
- 19% of the women had borrowed through Discretionary Support for essentials such as food, white goods/furniture. Many reported issues with the nature of the application process and restricted eligibility.
- The women's choice of lender was mostly based on the knowledge they could access the money from the lender (51%), ease of application (26%) and the ability to afford the repayments (26%). Only 2% of the women reported the total cost of credit was the reason for their choice of lender.
- 60% of the women reported having difficulty meeting their repayments and/or missing repayments.

- 35% of the women reported having to use a foodbank as a result of their debts and trying to make ends meet.
- 44% of the women reported they had got into debt/into worse debt as a result of Covid. 79% reported they had received no specific help with their debts related to the pandemic.
- 75% reported their debts had been impacted by changes to social security benefits or other issues. 60% of the women reported their debts had been impacted by rising energy prices and 60% also reported an impact of rising food prices. 26% of the women reported the Universal Credit cut had impacted on their debts. Job loss, reduced working hours and the end of furlough had impacted on the debts of 23% of the women.
- 72% of the women reported being negatively impacted by being in debt with most reporting issues around their mental health and wellbeing as well as a struggle to pay essential bills and provide for children. Many felt they had little chance of escape from their debt situation.
- 47% reported feeling that their children had been negatively impacted by their debts in terms of not being able to provide them with sufficient food, heat or clothes or that their children missed out on activities, clubs and the ability to learn new skills.
- Many of the women felt there was still considerable shame/stigma around being in debt but that Covid had perhaps made it easier to talk about it as it was seen to be more acceptable to be in debt in these circumstances.
- Living on benefits or in low-paid work often does not provide enough income to afford the essentials and meet household bills without having to resort to debt.
- Issues with Universal Credit particularly the five-week wait and the repayment of Advance Payments causes financial hardship which impacted on the women's ability to meet their necessary household expenditure and encouraged debt. Many women felt the loss of the £20/week uplift to Universal Credit acutely.
- Increases in the cost of living especially for food and energy bills are putting increasing pressure on women's budgets and leaving them more vulnerable to debt as they struggle to make ends meet.

- School costs including school uniforms, lunches, stationery costs and afterschool activities put a great strain on women's budgets.
- Women often went without to make sure their children were provided for. This included going without meals, clothes and heat.
- Migrant women often relied more on family to access borrowing.
- The stigma around debt was worse for women in rural areas. Borrowing through the Credit Union was more commonly reported by rural women as it was seen as a more acceptable form of borrowing.
- The vast majority of the women had used their Spend Local card to buy essentials including food, clothes, energy bills or to help with the costs of Christmas.

The recommendations that follow from these findings are set out below:

Recommendations:

- Those on the lowest incomes are more likely to be forced into using high-cost credit and face the greatest risk of falling into problem debt. Alternatives for those on low-incomes who need to borrow, especially for essential items, should be available. **The Women's Regional Consortium recommends the need for greater access to affordable credit for low-income families as a way of reducing reliance on high-cost lending and avoiding problem debt.**
- Changes to the social security benefits system as a result of welfare reform/austerity have meant it no longer provides the safety net it once did with many claimants struggling to afford the basic essentials and resorting to debt to make ends meet. The CEDAW Committee has raised concerns about the impact of austerity measures on women and recommended that Government assess the impact on the rights of women and mitigate and remedy any negative consequences without delay. **The Consortium recommends investment in the social security system to allow claimants to meet their basic needs and live decent, healthy lives without resorting to debt to pay for essentials. The Consortium wants Government to assess the impact of social security**

reform on women and work to mitigate any negative impacts as recommended by CEDAW.

- Cost of living pressures particularly around essential items such as food and energy bills means that many people on the lowest incomes are struggling to make ends meet on social security benefits and in low paid work. Inflationary pressures hit poorer households harder driving up financial hardship and debt. More must be done to protect those on the lowest incomes from these impacts which are beyond their control. **The Women's Regional Consortium recommends:**
    - **raising social security benefits by the actual rate of inflation to reflect current household costs.**
    - **a longer-term approach to rising energy costs for those on the lowest incomes. While we welcome some help in the form of one-off payments to people on certain benefits, a more sustainable approach to this issue is required as higher energy costs are likely to remain for a considerable time.**
    - **targeted help for the lowest paid workers who are outside any help available through the social security system but who are also struggling to make ends meet with increasing food/energy costs.**
- The £20/week cut to Universal Credit/Tax Credits in October 2021 has had a detrimental impact on claimants happening at a time of rising prices and a pandemic that continues to impact on household budgets. **The Consortium recommends that the Westminster Government should reinstate the £20/week increase to Universal Credit/Tax Credits and ensure that families on legacy benefits, who were never given the £20 increase, are also included. This would help to limit increasing levels of unaffordable debt particularly as the cost of living increases.**
- The Universal Credit five-week wait often starts claimants off on their Universal Credit journey in debt. Following the wait repaying Advance Payments puts a financial strain on claimants for many months causing them to struggle to survive on reduced awards. **The Women's Regional Consortium wants to see the**

Westminster Government end the Universal Credit five-week wait. Locally, we support calls from the Cliff Edge Coalition for a new Northern Ireland mitigation payment to be introduced to help claimants on the lowest incomes avoid getting into debt due to the initial wait for Universal Credit. We welcome the review into welfare mitigations in Northern Ireland and look forward to the recommendations from the independent review panel.

- Deductions from social security payments to repay Government debts causes people to struggle to afford the essentials and can drive them into poverty and further debt. The repayment of historic benefit debt, particularly for tax credits, means that many Universal Credit claimants are living with reduced awards and on very low incomes. **The Consortium recommends that historic benefit debt should be written off or reclaimed at a much lower rate. The Consortium supports the recommendations made by the Joseph Rowntree Foundation which called on the Government to immediately stop deducting benefits at unaffordable rates and at higher rates than it expects for other creditors.**
- There are strong links between female poverty and child poverty and the Women's Regional Consortium is increasingly concerned about the harm this causes and the likelihood for increasing financial hardship and debt levels as a result. The Consortium believes the two-child limit is an attack on women and low-income families and risks pushing more families and children into poverty and debt. **The Consortium wants to see the Westminster Government remove the two-child limit in Universal Credit and Tax Credits. Locally, we back calls from the Cliff Edge Coalition for a new Northern Ireland mitigation payment to be introduced to protect families who are impacted by the two-child limit. We welcome the review into welfare mitigations in Northern Ireland and look forward to the recommendations from the independent review panel. The Consortium also supports the call from the**

Anti-Poverty Strategy Expert Panel[128] for the introduction of a Northern Ireland Child Payment to help address rising child poverty levels.

- Welfare Reform has impacted on the ability of low income families to access affordable loans weakening the safety net for the most vulnerable borrowers. Problems with accessing Discretionary Support due to problems with the telephone application and restrictive eligibility conditions including an income threshold and limits on the number and amount of debts a person can have has reduced expenditure on these awards. **The Women's Regional Consortium wants to the see the urgent implementation of the recommendations from the Independent Review of Discretionary Support[129] to improve the current service.**
- The Covid crisis is one which no one could have planned for financially and it has led to many on the lowest incomes struggling to pay their bills, put food on the table, heat their homes and meet their debt repayments. This is particularly the case for women who are more likely to be in debt and have been more negatively impacted by the pandemic. As the Government measures put in place to help people during the pandemic come to an end many will now be impacted by debt problems built up during the crisis and in lockdowns. **The Consortium recommends that Government should take action to provide financial support and protections against financial hardship and debt particularly for those groups most impacted by the pandemic. This would help to protect them from the negative effects of long-term debt and help strengthen economic recovery.**
- The Women's Regional Consortium is concerned about the impact of the collapse of the Northern Ireland Executive and what this will mean for progress on a range of measures to help people with poverty, increases in the cost of living and the need for borrowing. We are particularly concerned about the

[128] Recommendations for an Anti-Poverty Strategy, Report of the Expert Advisory Panel, December 2020 https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-social-inclusion-strategy-anti-poverty-expert-advisory-panel-recommendations.pdf
[129] Independent Review of Discretionary Support, Department for Communities, February 2022 https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-independent-review-of-discretionary-support-22.pdf

potential for a lack of progress on important Reviews on Discretionary Support and Welfare Mitigations as well as the suite of Social Inclusion Strategies including the Anti-Poverty and Gender Equality Strategies. **The Women's Regional Consortium would like to see priority given to advancing the recommendations from the independent Reviews into both Discretionary Support and Welfare Mitigations. We would also like to see continued work and priority given to the delivery of the Social Inclusion Strategies which have the potential to deliver real change.**

- High interest doorstep lenders exploit people with limited credit options. This type of lending can push some consumers, particularly those on low-incomes, into an endless cycle of debt. The FCA have been willing to protect consumers from this type of high interest debt before through applying a cap on fees and charges for payday loans. However, the FCA need to do more to protect consumers from the spiralling costs of debt. **The Consortium recommends the FCA extend the rules that cover payday loans to the doorstep lending market by extending its definition of high-cost short-term credit to include doorstep loans. Action should also be taken to prevent doorstep lenders from offering further borrowing to consumers who are showing signs of struggling.**
- In order to tackle the scourge of illegal money lending, particularly that linked to paramilitary groups in Northern Ireland, there is a need for Government to understand and recognise the reasons why people resort to this type of borrowing. While the Consortium welcomes the Department of Justice attempts to raise awareness of this issue through the 'Ending the Harm' Campaign more work is needed across a number of Government departments to stop this type of lending. **The Women's Regional Consortium recommends that cross-departmental working is required in order to tackle the issue of paramilitary lending which recognises the drivers behind this type of borrowing including the inadequacy of social security benefits, lack of access to low cost/no cost credit and the problems caused by low-paid, insecure work.**

- Access to good quality debt advice can help people to reduce their debts, face fewer debts and eventually help people to become debt free. Low levels of financial literacy and high levels of poor mental health in Northern Ireland means there is an ongoing need to ensure that borrowers have access to high quality, free to use, independent debt advice. **The Women's Regional Consortium recommends that adequate funding is made available to debt advice agencies to not only continue with their free debt advice services but to expand in order to meet increasing demand for these services which is likely to result from Cost of Living Crisis.**
- The Women's Regional Consortium welcomes the ongoing work on the 'UK Strategy for Financial Wellbeing' in Northern Ireland and particularly the cross-cutting themes of Gender and Mental Health within this Strategy. There is no doubt that the Covid pandemic has impacted on this work and there is a need to address the financial wellbeing impacts of the crisis. **The Consortium supports the recommendations from the Money and Pensions Service (MaPS) in relation to building Northern Ireland's financial wellbeing after Covid-19[130] particularly around progressing the design and pilot of a no-interest loans scheme targeted at those most in need. Also we strongly support their recommendation that the DWP should maintain and extend relief measures put in place to help people who rely on welfare benefits and whose finances have been made worse by Covid. We suggest that MaPS should work on a cross-departmental basis with the DWP on this issue stressing the links between cuts to welfare benefits and increasing debt levels and lobbying for increased support for claimants.**
- The links between mental health and debt are well recognised. The Women's Regional Consortium wants to see better protections in place for those with mental health problems who are in debt given that both levels of mental illness

[130] Building Northern Ireland's financial wellbeing after Covid-19, Money and Pensions Service, November 2020
https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/11/Building-Northern-Irelands-financial-wellbeing-after-Covid-19.pdf

and personal debt are higher in Northern Ireland. **The Consortium welcomes work by the Department for Communities on a policy for a debt respite scheme in Northern Ireland and plans to include a 'Breathing Space' element within this scheme. However, we urge the Department to learn from the feedback about the operation of Breathing Space in England and Wales and take on board the forthcoming recommendations from MindWise in relation to how this scheme could best help those who have mental health problems and who are struggling with debt.**

- The impact of the pandemic has led to significant increases in mental health issues and on debt levels. There is a need to recognise this across Government, and by a range of services, in order to more easily identify where people with mental health issues are struggling with their debts and ensure they are provided with the help and support they need to give them a better chance of recovering from both. **The Women's Regional Consortium supports the recommendations from the Money and Mental Health Policy Institute particularly that:**
  - **Government should prioritise tackling the links between debt, mental health problems and suicide in its pandemic recovery plans.**
  - **GPs, A&E departments and community mental health services should routinely ask people receiving treatment for mental health problems about their finances and provide clear signposting pathways to help those who need it.**
  - **Banks, energy companies and other essential providers should proactively identify customers who may be struggling and improve the service they offer, for example, developing better processes for referring people to debt advice, offering realistic repayment plans, freezing interest and charges and reviewing decisions on debt collection for customers with mental health problems.**
- Welfare reform, austerity, the Covid pandemic and increases in the cost of living have created a crisis situation where women need more help in the form of support, education and advice however community-based support services for

women are under serious threat from funding cuts. Consequently, many organisations are now forced to reduce their package of services, reduce staff numbers or close down completely. To compound this funding deficit it is feared that Brexit will also mean the loss of valuable EU funding. **The Consortium recommends that government should acknowledge and support the role of community-based women-only provision in addressing women's poverty and financial vulnerability in rural and disadvantaged areas. Government should commit to increase and provide longer-term funding for grass roots women's organisations to enable them to continue and develop the vital services they provide to financially vulnerable women in disadvantaged areas.**