



NIACRO Response to the Money Advice Service's 2017/18 Business Plan

6th February 2017



1. Overview

1.1. NIACRO is a voluntary organisation that has been working for almost 50 years to reduce crime and its impact on people and communities. Specifically, its contributions have been to:

- Support the resettlement of adults leaving prison and those on community supervision
- Build skills, confidence and employability of people both in prison and in the community
- Build the resilience of children, young people, families and adults who are displaying behaviour that would put them at risk of engaging with the criminal justice system, supporting positive lifestyle choices
- Influence service providers in the statutory, voluntary and community sector and building their capacity to provide appropriate support and bespoke training
- Contribute to public debate and influencing others with regards to criminal justice matters, at the highest level.

1.2. At the heart of NIACRO's work is a drive to reduce (re)offending within the understanding that integrated and flexible approaches towards desistance are most effective.

1.3. NIACRO delivers the Families and Money Matters (FAMM) project which provides debt and money management advice to families of people in prison. It supports families who are not engaging with mainstream debt advice services and who have a relative who has either recently entered custody or is nearing their release date. The project also aims to research and evaluate the reasons why people do not engage with mainstream debt support services. This project is funded by the Money Advice Service. Further information on the project can be found on the NIACRO website: <http://www.niacro.co.uk/families-and-money-matters-famm>

2. Preliminary Comments

2.1. NIACRO welcomes the opportunity to comment on the Money Advice Service's 2017/18 Business Plan, in particular:

- Delivering through others (Aim 1)
- Earlier and wider access to debt advice (Aim 2)
- Improving access to guidance and advice (Aim 4)



- 2.2.** NIACRO supports the Money Advice Service's strategic approach to helping people with money and debt, in particular the more targeted approach adopted to ensure specific groups of people with clearly identified needs are reached.
- 2.3.** NIACRO is encouraged by the conclusions in the Money Advice Service's Corporate Strategy particularly in helping those groups identified as 'struggling' and 'squeezed' to improve their money management skills.
- 2.4.** NIACRO supports the improvement of access to guidance and advice and are encouraged by the focus on support for voluntary sector organisations reaching into the 'struggling' segment.
- 2.5.** NIACRO believes that the discrete-chapter approach used in this plan is helpful for the devolved regions as it illustrates the different cultural, political and financial landscape in Northern Ireland compared to the UK as a whole and to the other regions within the UK.

3. Consultation Questions

Question 5

- 3.1.** In Northern Ireland, there has been a significant shift in population access to information and services. More than eight in ten households in Northern Ireland (83%) now have access to the internet. In addition to this, seven in ten (70%) internet users purchased goods or services online in 2016. Furthermore, seven in ten adults in Northern Ireland said that they used their mobile phone to access the internet.¹ With this in mind, it is important to ensure that digital services, including in depth money and debt advice, is available in order to ensure that those more likely to seek and access information digitally, can receive the appropriate and sufficient advice.
- 3.2.** As mentioned previously, the discrete-chapter approach used in this plan is helpful for the devolved regions as it illustrates the different cultural, political and financial landscape in Northern Ireland compared to the UK as a whole and to the other regions within the UK. Traditionally in Northern Ireland, there is a cultural stigma attached to debt which leads to individuals and families either not seeking any form of debt advice at all or seeking advice after a significant period of time when their financial difficulties are at an advanced

¹ OFCOM: The Communications Market Report: Northern Ireland (2016): <https://www.ofcom.org.uk/research-and-data/cmr/cmr16/northern-ireland>



stage. With this in mind, there is a valid argument for the provision of sufficient and appropriate money and debt advice across digital platforms in particular those third-sector organisations that provide money and debt support and assistance to the 'struggling' segment identified by the Money Advice Service.

3.3. The collective impact of the third sector is an important asset that makes life-changing contributions to the people and communities across Northern Ireland. Throughout Northern Ireland the voluntary, community and social enterprise sector workforce, both paid and voluntary, are raising issues, identifying need and stepping up to deliver services that government or other sectors can't.² We believe that any digital service provision should be properly resourced and that those organisations who provide advice across digital platforms are provided with sufficient training and resources to ensure that those who seek advice digitally, are given a high-quality service that would be expected when given face-to-face or telephone advice.

3.4. Six in ten internet users aged 16-34 considered the smartphone their most important device for internet access.³ NIACRO believes that there is an increasing importance on the provision of services, in particular debt advice, using digital platforms. With this in mind, it is essential that such platforms can be accessed using tablet and smartphones as well as on a PC or laptop. As younger people are increasingly dependent on smartphone and tablet usage, digital advice and guidance mechanisms for example, web chat facilities, debt checker/budgeting tools etc., must be fully compatible with mobile and tablet usage in order to ensure that debt services are available to as many people as possible. This aims to ensure that those who seek advice digitally are given a high-quality service that would be expected when given face-to-face or telephone advice.

Question 6

3.5. Households in Northern Ireland have an increased risk of financial vulnerability compared to the UK as a whole. This is highlighted in the Money Advice Service UK-wide study into over-indebtedness with 21% of individuals in Northern Ireland being over-indebted – well above the UK-wide average of 16.1% and the highest of all the UK regions.⁴ Financial literacy can explain a

² NICVA, 'Untapping the Potential - Policy Manifesto' (2016): <http://www.nicva.org/nicva-policy-manifesto>

³ Ibid.

⁴ Money Advice Service, 'A Picture of Over-indebtedness' (2016):

<https://www.moneyadviceservice.org.uk/en/corporate/a-picture-of-over-indebtedness>



significant proportion of wealth inequality. Among the key components of financial literacy are numeracy and money management skills.⁵

3.6. Households in NI have an increased risk of financial vulnerability compared to the UK as a whole. They are more heavily reliant on social security benefits than in the rest of the UK. Of the constituent countries of the UK, NI ranks lowest in terms of income, education and financial literacy. With the introduction of the Welfare Reform Programme and the transition to Universal Credit, life for those with low financial literacy will become more difficult.⁶

3.7. NIACRO would welcome the development of educational support and/or a public awareness campaign to assist in improving the financial literacy and numeracy, and money management skills for those identified as 'struggling' and 'squeezed', particularly in Northern Ireland where there remains a strong cultural stigma attached to debt and money management.

4. Conclusion

We hope these comments are helpful and we are keen to engage further with the Money Advice Service in greater detail following the outcome of this consultation.

For further Information please contact:

Katherine McCloskey

Policy & Public Affairs Co-ordinator

NIACRO

Amelia House | 4 Amelia Street | Belfast | BT2 7GS

Tel: 028 9032 0157

Email: katherine@niacro.co.uk



⁵ 'Financial Literacy and Over-Indebtedness in Low-Income Households', Declan French and Donal McKillop:
http://www.st-andrews.ac.uk/business/rbf/workingpapers/RBF14_012.pdf

⁶ Ibid.