



Money Advice Trust
Debt Advice Channel
Strategy Research

Appendices

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Appendix A: Money Advice Trust Channel Strategy – Evidence review

Background

The Money Advice Trust has commissioned Policis to undertake research to provide an evidence base to inform a channel strategy for the future delivery of debt advice, to ensure that:

- Clients are able to access debt advice via the most appropriate channels.
- Resource distribution across different channels maximises efficiency and coverage, without impacting negatively on the reach, impact and outcomes of debt advice for recipients.
- The debt advice sector is suitably resourced to meet current and future demand.

Aims of the evidence review

A key element of the research is a review of existing literature and evidence. The purpose of the review is to identify, assess and report the findings from a range of evidence sources relevant to the following research questions:

- How do UK clients currently access debt advice and what motivates their channel choice?
- How do debt advice clients' preferences match the current delivery landscape?
- Is existing capacity within the debt advice sector distributed appropriately across different channels to meet existing demand and preferences?
- What happens when clients are unable to access their preferred channel choice or, for other reasons, access a channel that is inappropriate to their needs?
- Do clients use different channels separately or in combination?
- Does channel preference remain static or change over time?
- What are the triggers and drivers that underpin changes in channel preference?
- The evidence review was conducted during May and early June 2011 and the key emerging themes presented to and discussed at a stakeholder workshop, involving key interested parties involved in the funding and delivery of debt advice, held in London in June 2011.

Process, scope and remit

The review covered research commissioned by Government, the debt advice sector and other key stakeholders, and undertaken within the five years prior to this research. Sources were mainly identified and accessed via the Money Advice Trust Information Hub, with some free-find to obtain specific, up-to-date information.

Each source identified as part of the review was assessed for quality to:

- ensure that the review is based on robust evidence;
- facilitate comparison across and between sources;
- and ensure that the conclusions drawn are appropriate to the research and sampling methods employed.

In practice, and as anticipated, there is very little existing evidence that addresses the full range of research questions that underpinned the review. Further, the evidence that does exist rarely focuses on channel preference specifically, but on advice-seeking behaviour more generally. There is also currently very little evidence that compares experience of different channels or outcomes from using them.

Some of the sources that were included in the review relate to specific debt advice projects or client groups and, therefore, do not provide an evidence base from which

to generalise to the wider population of advice clients. Other sources relate to advice services more generally, rather than debt advice in particular, but were included where they had particular relevance to the research questions. Occasionally sources older than 5 years were also included where they offered key insights to the research questions. All sources are presented with the appropriate caveats to provide clarity on the nature and extent of the conclusions that can be drawn from them.

The sections below outline the key themes that emerged from the evidence review relating to:

- the way in which debt advice clients currently access debt advice
- current capacity and coverage within the sector
- the apparent drivers of channel choice
- remaining gaps in the evidence base.

How do clients currently access debt advice?

There is currently quite a lot of evidence about how people currently access debt advice and the way that they use, and combine different channels. It does not appear, however, that channel preference plays a significant role in the way that people access debt advice.

Face-to-face

Debt advice clients can access services on a face-to-face basis in a number of ways¹. These include:

- On a drop-in basis, where clients present without an appointment and queue until they are seen. This system can mean that not all clients who present are seen, but it means that it is, at least in theory, possible for a potential client to receive advice immediately;
- Via pre-booked appointments, where clients present at a specific, pre-agreed time having previously made contact, face-to-face, by telephone, in writing or by email, to make the arrangements. Clients may need to wait several days, or even weeks, between making contact with the organisation and receiving advice but it does mean that, having made contact, clients know exactly when they will be seen and spend less time queuing;
- Following a pre-appointment assessment – often referred to as 'triage' - whereby new clients receive an initial interview to ascertain the nature and severity of their problems, and then dealt with accordingly. Clients with urgent cases may be seen on the day they present, or very soon after, while less urgent cases could be asked to return for a pre-booked appointment or referred to another advice provider or an outreach service, should this be appropriate. Following triage, clients may also be routed to telephone advice, via the same or a different provider, and/or provided with resources to help them manage their debt problems.

The vast majority of face-to-face advice is received on the service provider's premises. It is also possible, however, to access face-to-face advice via videolink or webcam (see below) and a small number of providers make home visits to clients who would not otherwise be able to access advice².

¹ Sefton, 2008

² Gillespie et al, 2007

Telephone

The number of clients receiving advice by telephone has increased considerably in the last decade or so, with the growth of the Consumer Credit Counselling Service (CCCS), National Debtline (NDL) and PayPlan, and the introduction of telephone advice by other providers to complement face-to-face provision. In 2010, 287,120 people contacted the CCCS telephone helpline and 120,508 debt counselling appointments were completed³.

Currently it is possible for clients to receive comprehensive debt counselling by telephone, via CCCS, NDL and some other providers. Some of these clients may have been referred from face-to-face services following 'triage' type assessments. Clients may also receive debt counselling by telephone as a supplementary service to face-to-face advice, providing on-going support and enabling clients to check-in with their advisor without waiting for a face-to-face appointment.

In addition, some face-to-face advice providers have expanded their service to include telephone advice, which is offered during particular hours as a supplementary service.

Online

Online debt advice has also been an area of rapid growth in recent years.

This includes the introduction of dedicated debt advice counselling tools, such as CCCS' Debt Remedy which emulates the process of full debt advice. Introduced towards the end of 2006, Debt Remedy was visited by 68,000 people during the first six months⁴. By 2009, around 31% of CCCS clients were accessing advice online and, although in 2010 130,472 people sought advice online, with 65,825 online counselling sessions completed, 2010 saw the first fall in the numbers of people using Debt Remedy since 2006⁵.

There is also evidence that people access debt advice online via email and web-chat facilities, although it seems that this is always provided as follow-up to a previous face-to-face consultation, rather than as a stand-alone advice tool.

Receiving advice via email or online has been identified as having particular potential to reach people from some black and minority ethnic groups, rural communities, lone parents, those with mobility problems and other groups who find it difficult to access services via 'traditional' routes⁶.

Videolink/web-cam

Videolink services and web-cams have also been used to provide advice to people using outreach locations. These services tend to be targeted at particular groups of people who are less likely to access debt advice services, and are often placed in locations frequented by these client groups. Like other face-to-face advice services, videolink and webcam advice services can be provided either on a drop-in basis or via pre-booked appointments. They can also be used as stand-alone services and to provide follow-up to face-to-face debt advice counselling.

³ CCCS Statistical Yearbook 2010

⁴ CCCS Statistical Yearbook, 2006

⁵ CCCS Statistical Yearbook 2009; CCCS Statistical Yearbook 2010

⁶ Gillespie et al, 2007

Written briefings

There is some evidence of debt advice being provided in the form of written briefings although, again, there is no evidence that this form of advice provision is used as a stand-alone service but, rather, as a follow-up to face-to-face or telephone advice.

Advice by text

In addition, the provision of debt advice via a text service – again, as a follow-up to an initial face-to-face consultation – has also been tested among young people by one provider.

Use of different debt advice channels

It appears that most of the above debt advice channels are used, to some extent, in combination as well as separately. There are currently no figures to illustrate the extent to which clients use multiple channels, the degree to which clients' use of different channels overlaps, or the factors which drive channel use.

It would appear that face-to-face, telephone and online services providing full debt counselling, as well as videolink and webchat services can all be – and are - used as distinct, stand-alone services, without the use of any other channels. It seems very unlikely, however, that written briefings or text advice are ever the only channel used by a client and will always be used in combination with other channels.

In addition, people who receive face-to-face advice may well also receive advice via one or more other channels as they progress through the advice process. People who receive advice by telephone or online may also use other channels during the course of their advice journey, including emails and written briefings.

Current coverage and capacity within the sector

It remains quite difficult to accurately estimate the current level of supply of debt advice, or the coverage of particular delivery channels. Gillespie and Dobby (2009) have put together the most comprehensive estimate, to date, of provision in 2007-8⁷, albeit that this did not aim to provide clear indications of channel-split.

- In 2007-8, Citizens Advice has 426 member bureaux across England and Wales, 55 member bureaux in Scotland (operating across 71 offices) and 22 bureaux (with 30 offices) in Northern Ireland. In total, across the UK, Citizen's Advice helped approximately, 592,000 clients with debt problems during 2007-8. Citizen's Advice is the biggest provider of face-to-face advice services in the UK and, despite making increasing use of remote channels; it seems likely that the vast majority of these consultations took place on a face-to-face basis.
- Advice UK has 350 services that provide money advice across England, Wales and Scotland, dealing with around 210,000 clients per year. Advice NI has 65 member services, helping approximately 6,000 debt clients a year. These services are likely to be delivered via a range of channels but it remains likely that the majority of clients receive face-to-face consultations.
- Legal Services Commission funded services are estimated to advise 10,000-15,000 clients each year.
- Local Authorities and other providers give money advice to between 165,000-175,000 clients a year. Again, it is likely that this mostly represents face-to-face provision.

⁷ NB more recent statistics are available, but statistics of the period of 2007-8 are drawn from Gillespie and Dobby to provide a consistent picture of provision during a specified period

- National Debtline provided telephone advice to 105,000 people in 2007.
- Payplan aimed to help 120,000 people in 2006, by telephone.
- CCCS provides debt counselling to 70,000-100,000 people by telephone or online every year.

While this data provides a useful overall picture, we still do not have a clear perspective on levels of channel supply or use across UK.

Key drivers of channel choice/use

From existing evidence it is difficult to determine the extent to which people make proactive channel choices when they access debt advice. In fact, there is little evidence that people make channel choices at all, rather that they choose a supplier and use whichever channel(s) are on offer. There is also little evidence that people make comparisons between channels or suppliers. Just two studies have found evidence of people making active choices between channels, and this occurs only once people have already been in contact with an advice provider. Orton (2008) found that once people had been in touch with an advice provider they tended to have a higher awareness of other providers. A small number of people were found to make quite sophisticated use of different channels:

“I think they’ve got different qualities and got different strengths and weaknesses... [with the telephone help line] you can get through to somebody straight away... and get some advice and help when you’re panicking. But with the [face-to-face provider] if you want more support and more one-to-one back up with your creditors, I think they’re probably the best people to go to... but I think it does have its drawbacks because you have to wait.” (Orton, 2008, p. 29)

This type of proactive assessment of the pros and cons of different channels was, however, exceptional. Some Citizen’s Advice research (2011) on users of FIF agencies, also suggests that a small proportion of people do try other channels before they reach a face-to-face provider.

Although people do express some preferences regarding the way they would like advice to be delivered:

- it is not clear whether these were formed prior to receiving advice;
- the extent to which the process of receiving advice alters these preferences;
- or the extent to which these preferences actually influence choices.

The factors that are identified as potentially having an influence on channel choice fall into two categories – supply-side and demand-side.

Supply-side factors

These factors need to be viewed in the context of demand-side factors, but evidence suggests that supply-side factors may drive channel choice/use to a greater extent than demand-side factors.

Availability of supply

Evidence suggests that many people tend to use services that are available locally as their first port of call – largely due to low levels of awareness of alternative sources⁸ (outlined under demand-side factors)

⁸ Sefton, 2008

Accessibility of supply

Geographical proximity of services can be an issue, especially in relation to face-to-face services, especially for people living in rural areas, those with mobility issues and without access to transport⁹. It has been concluded that people affected by these issues require face-to-face advice provision either in-home or at outreach locations¹⁰. The extent to which people whose access to face-to-face advice services is limited could have their needs met via telephone or online channels has not yet been explored.

Opening hours restrict access for some people - e.g. those in employment or with caring responsibilities¹¹. Sefton (2008) cited monitoring figures supplied by one agency showing that in a recent 3 month period, 30% of attempted calls to the telephone advice line were made outside the advertised opening hours.

Waiting times and queues can deter some people from accessing advice services¹². In particular, some people – including those from some minority ethnic groups – are reluctant to queue for advice services for fear of being seen by someone they know¹³. Women from some minority ethnic groups are reluctant to use waiting rooms that are also used by men¹⁴. People with health problems and disabilities may be unable to queue¹⁵. One 2008 study found that waiting times for standard appointments were routinely in the region of a week to two weeks, but could be as long as three or four weeks¹⁶. In agencies offering general and specialist advice, waiting times could be longer for particular subject areas, such as debt. The same study found that some agencies operated strategies for keeping waiting times artificially short, by only opening up appointment slots for booking one or two weeks at a time. Where this occurred, people contacting to make appointments towards the end of one week might be asked to try again the following week, when a new batch of appointment slots would be available¹⁷.

Being unable to access advice may act as a deterrent to further advice seeking¹⁸.

Similarly, being unable to get through to an advice agency by telephone can foster the perception that '*you have to go in to get advice*', resulting in a bias to face-to-face advice among some agencies¹⁹. It has also been suggested that agencies offering telephone and face-to-face advice may prioritise clients who present in person and find the telephone '*easier to ignore*'²⁰. Sefton (2008) found that, for one agency, the number of calls not connected within advertised opening hours ranged from one in six to more than one in three. Another agency, which described its ability to find staff to answer the telephone as 'hit and miss', reported several hundred unsuccessful calls per week.

Access to the internet and landline telephones will, inevitably, influence people's ability to use these channels to access advice. Currently 8.7 million people have never used the internet, amounting to 17.5% of the population²¹. Race Online 2012 has indicated that 47 per cent of people living in households earning less than

⁹ Gillespie et al, 2007; Balmer and Patel, 2009; Legal Services Commission, 2005; Citizen's Advice, 2011

¹⁰ Gillespie et al, 2007

¹¹ Turley and White, 2007; Gillespie et al, 2007; Mawhinney, 2010; Orton, 2010;

¹² Turley and White, 2007; Dearden et al, 2010; Orton, 2010

¹³ Turley and White, 2007; Mawhinney, 2010; Goode and Waring, 2011

¹⁴ Mawhinney, 2010

¹⁵ Legal Action Group, 2009

¹⁶ Sefton, 2008

¹⁷ Sefton, 2008

¹⁸ Goode and Waring, 2011

¹⁹ Turley and White, 2007; Sefton, 2008

²⁰ Sefton, 2008

²¹ <http://raceonline2012.org/research>

£11,500 per year do not use the internet, compared with 4% of households earning more than £30,000 per year. In addition, 43% of people aged 65-74 have never used the internet, rising to 76% of the over 75s.

In addition, 15 per cent of the UK adult population lives in a household without a landline telephone, including 20% of adults aged over 65 and 11% of people in socio-economic group DE²². While telephone advice services can, of course, be accessed via a mobile telephone, this could prove prohibitively expensive for people on pay-as-you-go deals and those without sufficient 'free' minutes on their contract.

Location can also be a factor – especially for those who are limited by time or transport, or prefer not to travel far from home²³. Where people are unable to access a particular providers' services they may move on to a different supplier, offering a different delivery channel, but it is not clear that channel preferences play a part in this.

Demand-management strategies

Increasingly advice agencies – especially face-to-face providers – need to implement strategies to manage the flow of inquiries²⁴. This can include restricted availability of drop-in sessions, introduction of initial assessments or 'triage' systems. These strategies determine

- whether, when and where people see a face-to-face advisor
- the type of advisor they see;
- the amount of help they receive;
- referrals to other advice providers – including telephone and web-based services.

While staff in agencies that had adopted demand management strategies were largely positive about their impact, there can be some disadvantages²⁵. These included the fact that people who would have received advice on the same day on a drop-in basis could now be asked to return on another day for a pre-booked appointment.

I rang the bell, nobody answered, rang the bell [again], somebody answered: "You can't come in". I said, "Well, I haven't got a phone number for you". So she let me in, gave me a phone number. She said, "But you probably won't get through because we don't very often answer the phone". (Goode and Waring, 2011, p44)

Delivery models

Some evidence suggests that channel use for similar types of client varies by the delivery models used by providers²⁶. These can include combinations of different channels – such as initial face-to-face appointments, followed by telephone, email, text or written follow-ups. In this context, channel use is determined by suppliers, rather than clients – and clients seem happy with this.

Demand-side factors

Existing evidence points to a wide range of demand-side factors, although there is no evidence of the extent to which these drive channel choice, in practice, or of their relative importance.

²² <http://www.ofcom.org.uk/static/marketedataresearch/statistics/subset.pdf>

²³ Day et al, 2008 Sefton, 2008

²⁴ Sefton, 2008; Griffiths, 2008; Capitalise, 2009

²⁵ Sefton, 2008; Advice Services Alliance, 2009; Goode and Waring, 2011

²⁶ Day et al, 2008

Awareness

Evidence shows very low levels of awareness of what debt advice services are available²⁷ or what they offer²⁸ – in terms of delivery channels, the advice process, or whether they are free or fee-charging. With the exception of Citizens Advice, knowledge of local services seems to be higher than of national services²⁹. Knowledge of local face-to-face services seems to be better than telephone or web-based services³⁰. A high proportion of advice service users have not made contact with any other agency³¹ and would not know where else to go for advice³².

Nature, complexity and urgency of needs

Often people do not seek advice until they are in a crisis situation³³ – at which point choice of either provider or channel may not be meaningful. People with urgent needs tend to use the first available service that they are able to access that is able to help them. In the context of housing, people with problems requiring urgent advice, and those who had reached a point of crisis or faced an immediate threat to their welfare are more likely to gravitate to face-to-face advice³⁴.

In addition, it seems that people have clear perceptions of which suppliers/channels are best suited to complex problems. A common view seems to be that complex issues requiring *advice* rather than *information* are better dealt with face-to-face³⁵. To some extent this appears to be true, with one in five users of local face-to-face services saying their debt problems had been too complex and/or urgent for the first advice agency they had contacted to be able to help them³⁶.

Previous experience

There is currently very little evidence of how previous experience of advice drives channel choice but it is highly likely to be a factor³⁷.

3rd party recommendations /referrals

Use of a particular advice agency – and often, therefore, a particular channel – is frequently triggered by a referral or recommendation or simply ‘word of mouth’³⁸. A high proportion of advice service clients appear to have been referred either by other advice agencies, creditors³⁹ or professionals⁴⁰. In addition, people are referred – generally to well-known advice services like Citizen’s Advice – by other community groups, especially those offering services to particular ethnic groups⁴¹ and by friends and family⁴².

²⁷ Turley and White, 2007; Day et al, 2008; Orton, 2008; OLR, 2008; Balmer and Patel, 2009; Mawhinney, 2010; Orton, 2010; Goode and Waring, 2011

²⁸ Day et al, 2008; Orton, 2008

²⁹ Orton, 2008; OLR, 2008

³⁰ Orton, 2008

³¹ Illuminas, 2009a; Gathergood, 2011

³² OLR, 2008

³³ Orton, 2008; Orton, 2010

³⁴ Balmer et al, 2011

³⁵ Goode and Waring, 2011

³⁶ Citizen’s Advice, 2011

³⁷ Turley and White, 2007

³⁸ Orton, 2008

³⁹ CCCS, 2011; Citizen’s Advice, 2011

⁴⁰ Orton, 2008

⁴¹ Mawhinney, 2010

⁴² Turley and White, 2007

One researcher notes that impact of 3rd party referrals and recommendations can be very random – with one respondent choosing his advice agency following a conversation with the driver of a taxi he had flagged down⁴³.

Personal capacity

Difficulties with mobility, lack of access to transport facilities and an inability to cope with unfamiliar environments and situations can heavily influence the advice services that people are able to access and, subsequently, the channels they use⁴⁴. More than one in five users of the Financial Inclusion Fund face-to-face advice projects reported having a disability that restricted their mobility⁴⁵. A recent study, however, involving systematic analysis of use of face-to-face and telephone advice services in the context of housing, found no evidence to support claims that telephone advice may be a preferred option by those with mobility issues, with clients with physical ill-health less likely to use the telephone to address housing-related problems.

To date, researchers have tended to draw the conclusion that people with mental health conditions that make it difficult for them to leave the house or feel comfortable in unfamiliar surroundings require face-to-face advice in their homes in order for their debt advice needs to be met⁴⁶. This is confirmed by Balmer et al (2011) who found that those with mental health problems were significantly less likely to use telephone advice. The extent to which people in these circumstances could, with support, use telephone or online advice services has not so far been explored.

Ability to access information via the internet is a key determinant of people's ability to access online advice. Although only a small proportion, overall, of users of local FIF advice agencies had previously sought help using the internet, half of those that had said they had come to the FIF agency because they could not find what they needed online or did not like using the internet⁴⁷.

It is also the case that some people are better able to cope with unfamiliar situations and environments than others⁴⁸. One agency whose services were targeted at older people reported that their clients tended to be worried about 'official language'⁴⁹.

In addition, the ability to process and retain detailed information is likely to play a role in shaping people's views of the suitability of different channels. A quarter of users of the Financial Inclusion Fund face-to-face advice projects, found it difficult to explain themselves, and struggled to read and understand information; one in five said they found it difficult to understand things when they are explained to them⁵⁰. Written briefings, for example, were found helpful by lone parents using a targeted service in Scotland in providing a back-up to the advice they had received, which provided detailed information on new and complex issues which could be difficult to retain. This was also identified as an issue for people with some mental health conditions that make it harder to process and retain information. It is reported that some older people also find it difficult to answer complex questions, especially about their finances, by telephone⁵¹.

⁴³ Orton, 2008

⁴⁴ Gillespie et al, 2007

⁴⁵ OLR, 2008

⁴⁶ Gillespie et al, 2007

⁴⁷ Citizen's Advice, 2011

⁴⁸ Day et al, 2008

⁴⁹ Sefton, 2008

⁵⁰ OLR, 2008

⁵¹ Sefton, 2008

Language and literacy issues can make telephone and online services less accessible⁵² and non-English speakers have been found to be over-represented among face-to-face advice clients⁵³. Almost a third of users of the Financial Inclusion Fund face-to-face advice services reported difficulties with filling in forms⁵⁴. Evidence suggests that minority ethnic groups seek out services/individuals able to deliver services in their language⁵⁵. By contrast, however, a recent study has found that ethnicity does not present a major barrier to use of telephone advice services, in the context of housing⁵⁶.

The extent to which people are coping with very stressful situations or chaotic lifestyles has been identified as a key influence over the types of channels they are able, and inclined, to access⁵⁷.

Personal preference

There is strong evidence that some people are simply more comfortable with particular delivery channels⁵⁸. Lone parents with young children, people who use the telephone routinely in their working lives, for example, and those who are geographically distant from face-to-face services have, in some studies, expressed a high level of comfort with receiving debt advice by telephone⁵⁹. Fear of the unknown may also be a factor here⁶⁰.

A need to see someone in person is expressed strongly by face-to-face advice clients and this was found to be the most common reason for people to approach a face-to-face advice agency having already sought help elsewhere⁶¹.

The desire to be anonymous has been found to be a factor in use of remote channels, due to the stigma attached to debt problems or advice-seeking felt by some⁶².

“... a lot of people feel the CAB is a sort of white, middle-class organisation and so might not be the best place for you to go.” (Mawhinney, 2010, p41)

Lone parents using a money advice service in Scotland specifically targeted at this client group, found that the anonymity of a telephone helpline made it easier to talk⁶³ and, perhaps, to seek help at an earlier stage, before debt problems reach crisis point⁶⁴. The anonymity of the internet also made some men more comfortable with the idea of seeking advice⁶⁵.

Another influential factor appears to be people's perceived or actual ability to articulate their problem or direct the conversation⁶⁶. Users of a service specifically designed to target young people who may not otherwise seek advice, which included money advice delivered by text (as a supplement to other channels) particularly liked the fact that their advisor could initiate contact, because they did not feel confident in their ability to articulate their problems⁶⁷.

⁵² Gillespie et al, 2007; Mawhinney, 2010

⁵³ Sefton, 2008

⁵⁴ OLR, 2008

⁵⁵ Mawhinney, 2010

⁵⁶ Balmer et al, 2011

⁵⁷ Gillespie et al, 2007

⁵⁸ Goode and Waring, 2011

⁵⁹ Gillespie et al, 2007; Buck et al, 2007

⁶⁰ Orton, 2008; Orton, 2010; Goode and Waring, 2011

⁶¹ Citizen's Advice, 2011

⁶² Orton, 2008; Mawhinney, 2010

⁶³ Gillespie et al, 2007

⁶⁴ CCCS, 2011

⁶⁵ Goode and Waring, 2011

⁶⁶ Day et al, 2008

⁶⁷ Gillespie et al, 2007

Perceptions of the service

These include the perceived independence of the provider⁶⁸ and perceptions of the competence, professionalism and integrity of advisers⁶⁹.

Preference for local services

Research suggests that some people are more comfortable with local services⁷⁰. This is seen to be particularly important for people with priority debts where knowledge of local creditors seen as key in resolving problems satisfactorily. Trust may also be higher in familiar, local services and, conversely, a lack of 'street presence' may undermine trust in phone or online services⁷¹.

"When I was looking at different kinds of agencies on the internet, like one thing I kept questioning was 'How do I know which one is genuine and which one's supportive?' Because they're all, a lot of them are private companies and... you're not sure if they're mugging you". (Mawhinney, 2010, p42)

Perceptions and misconceptions about different channels also seem to play some role in channel choice. These include perceptions that:

- face-to-face services are difficult to access – based on real experience or word of mouth⁷²
- telephone/online advice is not personalised

Evidence indicates a fairly widespread belief that telephone advice services would only provide general advice, not in-depth advice relating to users' specific situation⁷³. This is not held up by evidence from evaluations of existing telephone advice services, the vast majority of whom have found the service to be personal and helpful⁷⁴.

- telephone advice won't provide emotional support/sensitivity.

While this is quite a strong perception among non-users of telephone advice, the evidence from users of these services suggest the opposite. With National Debtline users finding the service supportive, sensitive and unhurried⁷⁵. Lone parents who used a telephone money advice service in Scotland found that initial anxieties about discussion personal and financial issues were eased by the advisor's manner.⁷⁶

- telephone/online services aren't suitable for complex problems⁷⁷
- you need to see someone to 'open up'⁷⁸.

Indications of channel use/preference

There is some evidence of clear, and quite predictable, demographic differences between users of different channels.

One study found that people from minority ethnic groups, lone parents and those with disabilities were over-represented among face-to-face advice users, compared with the populations of the areas in which the advice agency was based. People with

⁶⁸ Mawhinney, 2010

⁶⁹ Mawhinney, 2010

⁷⁰ Citizen's Advice, 2011

⁷¹ Mawhinney, 2010

⁷² Turley and White, 2007; Orton, 2008; Orton 2010

⁷³ Goode and Waring, 2011

⁷⁴ Illuminas, 2009a; Illuminas, 2009b; Goode and Waring, 2011

⁷⁵ Illuminas, 2009a; Illuminas, 2009b

⁷⁶ Gillespie et al, 2007

⁷⁷ Goode and Waring, 2011

⁷⁸ Goode and Waring, 2011

mental health problems and non-English speakers are also prevalent among face-to-face users⁷⁹. Users of a face-to-face advice service targeted at older people were reported to be 'worried by official language'; have hearing difficulties; get confused when asked detailed questions on the telephone, particularly relating to their finances; and to be reluctant to travel far from home⁸⁰. An agency targeting vulnerable young people also reported that their clients tended to prefer to make their first contact face-to-face⁸¹.

The evaluation of the Money Guidance Pathfinder (Kempson, and Collard, 2010) found that use of face-to-face services had overtaken expectations and, contrary to expectations was used by more people than used the telephone service. Face-to-face services had attracted the highest proportion of users who were the most vulnerable to the consequences of poor financial decision-making; people on low incomes; lone parents; adults living alone; those without work; tenants and under 25s.

Users of telephone advice services tend to be better-off than face-to-face clients, although this looks to be declining, and not as well off as users of web-based services. Users of telephone Money Guidance services were found to be more like web users than face-to-face users, their main distinguishing feature being a higher proportion of people who were retired⁸².

While cluster analysis of individuals self-identifying as indebted found no significant difference between the channels of advice different clusters would take up, there was a difference to the channels they would not use. People categorised as 'badly hit', those actually in debt, were more likely than the 'worriers', who were not actually in arrears, to want to take up face-to-face and telephone advice⁸³.

CCCS have found that users of online advice services tend to be younger and more affluent, earning around £400 more per month, than telephone users, so are better placed to repay their debts despite owing more money⁸⁴. Users of online Money Guidance services were also found to be least vulnerable to the consequences of poor financial decision-making and were more likely to be affluent, homeowners, in professional or managerial work⁸⁵. However, it seems that in recent years the profile of online users is falling more into line with telephone clients, with a much higher proportion lacking sufficient income for a debt management plan to be put in place⁸⁶.

It seems that older people are less likely to seek advice online than by telephone⁸⁷. Couples and people with children are more likely to use online services, which CCCS attributes to the fact that online services are available 24 hours a day, providing maximum flexibility over the timing of sessions and enabling couples to seek advice together⁸⁸. CCCS also found a significant proportion of online users had sufficient funds to service their debts, suggesting that the 'worried well' are more prevalent among users of online advice⁸⁹.

There are also some more surprising findings regarding channel preference.

Young people have been found to be less likely to use telephone advice⁹⁰ and more resistant to web-based services and email advice⁹¹, especially as their method of

⁷⁹ Sefton, 2008

⁸⁰ Sefton, 2008

⁸¹ Sefton, 2008

⁸² Kempson and Collard, 2010

⁸³ NAO, 2010

⁸⁴ CCCS, 2011

⁸⁵ Kempson and Collard, 2010

⁸⁶ Gillespie and Dobby, 2009; CCCS unpublished note, 2011

⁸⁷ CCCS, 2011

⁸⁸ CCCS, 2011

⁸⁹ CCCS, 2011

⁹⁰ Balmer et al, 2011

initial contact, although they were largely positive about the provision of advice by text, as a follow-up to advice received via other channels, and found it an easy and affordable way to maintain contact with their money advisor⁹².

An evaluation of the potential for outreach money advice provision found that financially excluded interviewees were less likely to want face-to-face and significantly more likely to prefer advice in writing than other groups⁹³. It is argued that perhaps this group is more comfortable with advice delivered via more anonymous channels, and that they may feel that written advice would be clearer and enable them to refer back to the detail of the advice. Nevertheless, the majority of financially excluded respondents, like respondents from other groups, identified face-to-face as their most preferred option for receiving advice.

Research conducted as part of the National Audit Office review of the Financial Inclusion Fund debt advice services found that the 'worried well' were more likely to want face-to-face and telephone services than those who were already 'badly hit' with debt problems⁹⁴

Comparisons between delivery channels

Until the current study, there has been no systematic comparison of the use, experiences and outcomes associated with different delivery channels for debt advice. A recent study by the Legal Services Research Centre, however, provides detailed empirical analysis of the differences between telephone and face-to-face provision of legal advice in the context of civil problems relating to housing⁹⁵. The research identified the client groups and problem types that tend towards telephone and face-to-face advice; the relationship between delivery channel and client outcomes; and the relationship between delivery channel and advice time. The findings are relevant to the current study.

The study found that the proportion of clients using telephone advice was not uniform across different client groups or problem types. Clients who were vulnerable or disadvantaged in some way, including people under the age of 18 and those with mental health problems, were found to be far less likely to use telephone advice. Urgent and complex cases were more likely to be dealt with face-to-face than by telephone.

While telephone and face-to-face advice were found to have comparable rates of 'substantive benefit' for clients across the majority of problem types, telephone advice was found to out-perform face-to-face advice in a number of areas. Crucially, however, more detailed analysis identified that categorising case outcomes on the basis of substantive benefit masked fundamental differences between the two delivery channels. In particular, client outcomes from face-to-face advice were found to be 'more tangible' – involving the client being housed, re-housed or retaining a home' – compared with outcomes from telephone advice which tended to be associated with facilitating clients' more effective self-help. This work highlights the need for analysis of outcomes to control for both the client type and the nature of the presenting problem in any comparison of different delivery channels.

Importantly, controlling for social and demographic characteristics, problem types and, most importantly, the stage reached in the advice process, indicated that telephone advice took fourteen minutes longer on average. This suggests the importance of retaining channel diversity and of matching of delivery channel with

⁹¹ Sefton, 2008

⁹² Gillespie et al, 2007

⁹³ Buck et al, 2007

⁹⁴ National Audit Office *Helping overindebted consumers: analytical supplement*, NAO, 2010b

⁹⁵ *Just a phone call away. Is telephone advice enough?* Balmer et al, *Journal of Social Welfare and Family Law*, Vol 33, Issue 4

different client types and problems, in order to maximise the effectiveness and efficiencies of each channel.

Remaining evidence gaps and outstanding questions

To date, existing data on choice and use of advice services does not provide a clear picture of:

- the extent to which people do make proactive channel choices in debt advice;
- the degree to which channel choices are driven by supply-side rather than demand-side factors;
- the factors that drive channel choice as opposed to choice of service provider;
- what proportion of people access their first choice of debt advice provider/channel;
- the extent to which channel preferences impact on experience and outcomes of debt advice.

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Appendix B: Draft topic guide for qualitative research

Warm up

Personal and household circumstances / employment / where living / tenure etc

Financial capability

Thinking back to period prior to when got into financial difficulty ... Whether organized financially / time / how far planned / budgeted prior to running into financial difficulties / how comfortable was balance of outgoings and commitments / how prioritised spending

Channel affinity

Still thinking back to period prior to consultation with how organize financial affairs / cash versus account/ Whether comfortable with phone / internet banking / dealing with financial matters remotely / through different channels/ how this relates to use of different channels in other contexts (probe for information gathering, service, advice, sensitive matters)

Background to debt problems

What were circumstances / background when begun to run into financial difficulty / triggers for difficulties / how responded to financial pressure and how managed and prioritised outgoing and commitments when under pressure/ what was nature of debt / balance between consumer credit and other debts / how communicated with creditors / responded to communications / how long experienced financial pressure prior to consulting debt advice / how urgent were problems at point approached debt advice

Sourcing debt advice and early expectations of debt advice

What knew about debt advice prior to making contact / sources of information / channels used for sourcing information/ immediate triggers for approaching debt advice/ sources of debt advice considered / what were expectations of debt advice at this point / what felt at that point were main needs / priorities/ what needed debt advice to achieve / what were main issues and concerns in approaching debt advice in terms of service / what was anticipated balance of responsibility between client / advisers in terms of articulating problems and mapping way through to solution / were expectations / needs seen to be signposting - or counseling / degree and style of support / direction wanted/ extent to which wanted to be pro-active / involved / DIY / or looking for debt advice to manage and direct

Debt advice channel choices

Was initially thinking of debt advice being delivered face to face / telephone / on-line / whether had any preferences and underlying reasons for these / what see as key potential difference between different channels in debt advice context / advantages / disadvantages of different channels / degree of comfort or resistance to different channels / whether felt had choice of channel and if so why chose channel that used / how felt about channel imposed if no choice – before advice and during process

Channel fit

Channels actually used for approaching debt advice in first instance / at subsequent stages of the process / how well did the telephone / face to face / on line fit with their needs and expectations / overall and at different stages of the process / advantages / disadvantages / likes / dislikes / how far did the channel impact their understanding of options and ways forward / their engagement with the process / likelihood of acting on advice / outcomes of advice/ how influenced perceived balance of responsibility / ability to handle and face problems / subsequent behaviour following completion of debt advice process

Outcomes and satisfaction

What was outcome of debt advice (probe for whether made agreements with creditors for token repayments / programme to repay debt over time / debt write off etc)/ What see as being good / less good / acceptable outcome / perceived key influences on outcome of debt advice / how far sustainable / how far debt advice has changed way manage money / attitudes to taking on debt

Overall how felt about debt advice delivery and service / degree of satisfaction or otherwise / how far felt personal outcome a good one / what had anticipated / role of channel in outcomes and satisfaction

Potential for change

How far was experience of different channels as would have anticipated / has experience changed expectations or preferences in any way/ would make different channel choices now have experienced remote channels / face to face channels / would be prepared to do differently in the future / what impact would change of channel have on experience and usefulness of debt advice / willingness to engage and act / ability to manage

Moderators explains that move towards more lower cost telephone and on-line channels for debt advice against background of cuts and potential rises in numbers needing advice ...

How feel about prospects for a move to remote channels / what difference would it make to experience of service and more or less positive outcomes / what see as any barriers to change / how might any resistance to remote channels be overcome / what support would be needed / what aspects / characteristics of face to face delivery would it be important to transfer and reframe for remote channels/ what could be done better in remote channels that face to face unable to deliver

What types of people/groups need face-to-face/wouldn't manage with remote channels – reasons for this.

Could they manage with remote channels? Reasons for this. **(NB important to get at whether people think they themselves wouldn't manage without face-to-face or just that 'other people' wouldn't manage, and what drives this).**

If channel not first choice / does it matter and why / why not /

How would trade off factors such as channel against speed of access to service / ability to access first choice of channel or provider/whether advice is free or paid for

Wrap

Whether personally would be willing to undertake debt advice through remote channels and what could be done to enhance remote delivered service for best fit with client needs and their hoped for outcomes

Appendix C: Telephone questionnaire for main nationally representative sample of debt advice clients

MAIN QUESTIONNAIRE

Section 1: Background to difficulties and nature of debt problems prior to consulting debt advice

Q1. RECORD CHANNEL (AND CLIENT ORGANISATION FOR PHONE BASED SAMPLE)

- a. Face to face
- b. Phone (National Debt Line)
- c. Phone (Pay-plan)
- d. On-line

ASK ALL

Q2. And thinking back to the period before you got into financial difficulties⁹⁶, which of the following statements would come closest to describing your own spending and budgeting at that time? Chose only one: [SR]

- a. A careful budgeter and covered outgoings before spending
 - b. I did budget but never seemed to have enough to go round
 - c. I tended to spend and then make sacrifices later
-

Q3. And still thinking of the period before your financial difficulties, which statement is closest to describing your own attitudes and behaviour on credit? Choose only one: [SR]

- a. I didn't use credit
- b. Didn't borrow more than could comfortably repay

⁹⁶ Note: if more than one period of financial difficulties at q3 all questions refer to most recent period of financial difficulty.

- c. Borrowed a little more than I should
- d. I did over-stretch myself but thought I could handle repayments
- e. I borrowed more than I could afford and didn't think it through

Q4. And thinking back now to the period immediately before you approached a debt advice agency, which of these would best describe your position at that time? [SR]

- a. Facing immediate court /repossession action
- b. Creditors threatening court /repossession action
- c. Falling behind but not facing threats of court action
- d. Coping with commitments and but not able to pay down debt
- e. Coping with commitments but worried about future

Q5. Which of these best describes your communication with your creditors before you consulted debt advice? ROTATE ORDER [SR]

- a. I kept in contact with creditors and rescheduled my repayments
- b. I contacted creditors about rescheduling but they were not receptive

- c. I kept in contact with my creditors even though I couldn't pay them
- d. I read letters from creditors but didn't communicate because I couldn't do anything about the situation
- e. I just ignored communications from creditors because I couldn't face it
- f. [DON'T READ OUT] None of these

Q6. And which of these would describe what had happened with payments to creditors before you consulted debt advice? ROTATE ORDER [SR]

- a. I kept making repayments even though it left me without enough money
- b. I made reduced payments which I kept up
- c. I arranged reduced payments but couldn't keep them up
- d. [DON'T READ OUT] None of these

Q7. Which, if any, of the following had happened to you before you approached debt advice? Choose as many as apply: [MR]

- a. Missed payments on direct debits
- b. Overdraft that can't pay off
- c. Over-limit fees on overdrafts
- d. Maxed-out credit card

- e. Minimum payments on credit card for extended period
- f. Missed payments on credit cards or loans
- g. More than three months behind on credit cards or loans
- h. Missed mortgage or rent payments
- i. More than three months behind on mortgage or rent payments
- j. Missed fuel bill payments or unable to afford to pay for fuel
- k. More than three months behind on household bills
- l. None of these
- m. Any of these (code if any of a – k)

ASK ALL WHO HAVE MADE MINIMUM PAYMENTS FOR AN EXTENDED PERIOD ON CREDIT CARDS. OTHERS GO TO Q9.

Q8. And how long had you been making minimum payments on credit cards for? DO NOT READ OUT

- a. Less than 6 months
- b. 6 months – 1 year
- c. 1 year – 18 months
- d. 18 months – 2 years
- e. 2 years – 3 years
- f. 3 – 5 years
- g. More than 5 years

Q9. And which, if any, of the following had happened to you as a result of your difficulties, prior to consulting debt advice? [MR]

- a. Bad credit rating
- b. Refused credit
- c. Threats of repossession of goods or seizing assets
- d. Visits from debt collectors / bailiffs
- e. Threats of gas/ electricity cut off
- f. Gas or electricity actually cut off
- g. Threats of court action
- h. County court judgement
- i. Threats of eviction / repossession of your home
- j. Loss of home / eviction
- k. CODE None of these
- l. CODE Any of these (if any of a – h)

Q10. And at the point when you approached debt advice which of the following types of organisations did you owe money to? DO NOT READ OUT BUT PROMPT ANY OTHERS?

- a. Bank
- b. Credit card company
- c. Mortgage lender
- d. Housing Association
- e. Local authority/council
- f. Private landlord
- g. Utility supplier (gas / electric/water etc.)
- h. Phone company – landline or mobile
- i. Broadband/cable/satellite provider
- j. Retailer
- k. Consumer finance company
- l. Mail order / catalogue/ club book
- m. Pawnbrokers or Cash Converters
- n. Rent to own (Brighthouse type)
- o. Home credit company
- p. Pay day loan lender
- q. Other

Q11. And thinking now of all the money that you owed before going to debt advice, how much would you say you owed in total? DO NOT READ OUT AND CODE RANGE

- a. Less than £2,499
- b. £2,500 – £4,999
- c. £5,000 – £9,999
- d. £10,000 – £14,999

- e. £15,000 –
£19,999
- f. £20,000 –
£29,999
- g. £30,000 –
£39,999
- h. £40,000 –
£49,999
- i. £50,000 –
£60,000
- j. More than
£60,000
- k. Don't know
- l. Refused

Section 2: The debt advice experience

CLARIFICATION NOTE: FOR USERS WHO HAVE CONSULTED DEBT ADVICE DURING MORE THAN ONE PERIOD OF FINANCIAL DIFFICULTY ALL QUESTIONS REFER TO THE MOST RECENT USE OF DEBT ADVICE

Q12. And how did you find the debt agency that you sought help from? [MR]

- a. Family and friends / personal recommendations
- b. Newspapers /magazines
- c. Internet search
- d. Phone help-line
- e. Advertisements in school / community centre etc.
- f. Referred by creditors
- g. Consulted advisor in person
- h. Only knew of one agency

Q13. And at that point were you looking for free or paid-for debt advice? [SR]

- a. Didn't understand difference between free and paid for debt advice
- b. Free debt advice only
- c. Paid for debt advice only
- d. Willing to consider paid for or free debt advice

Q14. And which debt advice agencies were you aware before you first contacted a debt advice agency? [MR] DO NOT READ OUT

- a. Citizens Advice
- b. Pay-plan

- c. National Debt Line
- d. Consumer Credit Counselling service
- e. Other free debt advice service
- f. Other paid-for debt advice or debt management service
- g. CODE None of these
- h. CODE for aware of Citizen's Advice only

Q15. When you first contacted debt advice which of the following comes closest to your own feelings on what you hoped debt advice would do for you? ROTATE ORDER [SR]

- a. Take responsibility for dealing with your creditors and sorting out the problems and paper work for you
- b. Tell you what to do and support you in dealing with creditors
- c. Empower you to help yourself by providing information on your options

Q16. Which, if any, of these were you hoping that debt advice could do for you when you first approached them for help? ROTATE ORDER [MR]

- a. Information on my options and rights
- b. Stop pressure from creditors c
- c. Reassurance that problems solvable
- d. Way to repay my debt over time
- e. Stop my debt going up
- f. Reduce my payments
- g. Reduce / write my debt off
- h. Stop court / eviction or repossession action

Q17. And thinking back now to your own state of mind before you went to debt advice, which of these, if any, were you concerned about? ROTATE ORDER [MR]

- a. Not being able to explain my situation
- b. Not understand all the ins and outs of my situation
- c. Not understanding what the adviser was saying
- d. Having to take in too much information
- e. Having incomplete / un-opened paper-work
- f. CODE Any of these
- g. CODE None of these

Q18. Thinking back now to how you were thinking when you first started thinking about consulting debt advice, did you at that point want the debt advice to be [SR]

- a. Face to face
- b. Phone
- c. On-line
- d. Didn't really mind

ASK ALL WHO SAY ON-LINE. OTHERS GO TO Q20

Q19. And when you say you were wanting advice to be online, at this point did you want (MR)

- a. Information
- b. Resources such as templates to help you write your own letters
- c. Personalised support from a debt adviser

Q20. And how did you first contact debt advice? [SR]

- a. Face to face
- b. Phone
- c. On-line

Q21. Was the debt advice agency that helped you with your financial problems the first debt advice agency you contacted?

- a. Yes
- b. No

ASK ALL WHO SAY NO– OTHERS GO TO Q23

Q22. And how did you make first contact with the agency that actually helped you with your problems?

- a. Face to face
- b. Phone
- c. On-line

Q23. And why did you go to a different agency for help with your problems? (CLARIFY IF NECESSARY - rather than the one you first made contact with?)

- a. First agency directed me to the other agency
- b. Didn't like the first agency/adviser
- c. Inconvenient opening times
- d. Waiting times too long
- e. Wanted face to face advice
- f. Wanted phone based advice
- g. Wanted on-line advice
- h. First agency not free / independent

ASK ALL

Q24. How long did you have to wait before you could talk to someone in detail about your financial problems? [SR]

- a. Didn't have to wait
- b. Within a couple of days
- c. Within 1 week
- d. Longer than 1 week but less than 2 weeks
- e. Longer than 2 weeks

Q25. And how convenient were the debt advice agency opening hours? [SR]

- a. Very convenient
- b. Quite convenient
- c. Quite inconvenient
- d. Not at all convenient

Q26. And was the first meeting with the debt adviser to discuss your problems in detail? [SR]

- a. Face to face
- b. By phone
- c. On-line

Q27. And how would you have preferred to have your first meeting with the debt adviser? Choose as many as apply: [MR]

- a. Face to face
- b. By phone
- c. On-line
- d. Didn't really mind

Q28. And after the first meeting, which of these ways did you deal with debt advice after that? [MR]

- a. Face to face
- b. Phone
- c. On-line

Q29. And how comfortable were you with the different ways in which you interacted with the advisor subsequent to your initial consultation? DO NOT READ OUT BUT PROMPT AS NECESSARY [SR]

- a. Very comfortable
- b. Quite comfortable
- c. Neither comfortable nor uncomfortable
- d. Quite uncomfortable
- e. Not at all comfortable

Q30. I'm going to read out some statements about the experience of dealing with debt advice. I'd like you say whether you agree or disagree with the statements about the debt advice process overall, with 1 being disagree strongly and 5 being agree strongly

- a. I could take the time to explain my situation fully
- b. I felt that the adviser was available as often as I needed support
- c. I was comfortable with the adviser and did not feel judged
- d. I had a good relationship with the adviser
- e. The adviser/ agency were on top of my case throughout
- f. I understood and was comfortable with the paperwork

- g. I understood the recommendations made by the adviser
- h. I followed the adviser's recommendations
- i. I got as much support as I felt I needed
- j. I got as much follow up as I needed

Q31. And which of these statements best would describe how you felt about the debt advice process? [SR] ROTATE ORDER

- a. Empowered to help myself
- b. Relieved to have someone take the responsibility on for me
- c. Disempowered by the debt advice process

Q32. And would you say that your debt adviser did

- a. More for you than you expected
- b. About what you expected
- c. Less for you than you expected

Q33. Thinking now about consulting a debt adviser, which of these would you say would be important to you? Choose as many as apply: ROTATE ORDER [MR]

- a. Trust in the integrity of the organisation/adviser or
- b. Sufficient time to explain the problems
- c. Privacy and confidentiality
- d. Non-judgemental approach
- e. Professional expert advice
- f. Convenient access
- g. Advice tailored to my situation
- h. My options explained simply and clearly

- i. Personal relationship between client: adviser
- j. Confidence that advice is unbiased and independent
- k. Being able to see the adviser face to face
- l. Having the anonymity of a telephone call / online

Q34. And thinking now of your personal experience with debt advice. Which of these various factors were a feature of your own experience? Choose as many as apply: [MR]

- a. Trust in the integrity of the organisation
- b. Sufficient time to explain the problems
- c. Privacy and confidentiality
- d. Non-judgemental approach
- e. Professional expert advice
- f. Convenient access
- g. Advice tailored to my situation
- h. My options explained simply and clearly
- i. Personal relationship between client: adviser
- j. Confidence that advice unbiased and independent

Q35. Which of the following happened to you as a result of the debt advice you received? Choose as many as apply: [MR]

- a. Court action / repossession stopped
- b. Debts stopped increasing / interest frozen
- c. Payments reduced to manageable level
- d. Some/ all of debt written off
- e. Debt management plan
- f. Debt relief order (DRO)
- g. Individual Voluntary Arrangement (IVA)
- h. Arrangement to make token payment until my circumstances change
- i. Bankruptcy

ASK ALL WHO MADE ARRANGEMENTS TO REPAY MEANINGFUL AMOUNT TO THEIR CREDITORS WITH DMP, DRO OR IVA (E F OR G AT Q35) AND ALL WHO ARRANGED TO MAKE TOKEN PAYMENTS (H AT Q35). OTHERS GO TO Q39

Q36. And how long ago did you make this arrangement with your creditors? DO NOT READ OUT

- a. Less than 12 months ago
- b. Between 1 and 2 years ago
- c. Between 2 – 3 years ago
- d. Between 3 – 5 years ago
- e. Longer

ASK ALL WHO MADE ARRANGEMENTS TO MAKE MEANINGFUL REPAYMENTS (IVA/ DRO OR DMP E FG Q35). THOSE WHO MADE TOKEN ARRANGEMENTS H AT Q35 GO TO Q38. OTHERS GO TO Q39

Q37. And have you kept up payments on the arrangement with creditors / did you pay for the full term of the agreement?

- a. Yes, made all of the payments as agreed
- b. Yes, made most of the payments to time
- c. I was only able to keep up repayments for a while
- d. No, I wasn't able to make the payments as agreed

ASK ALL WHO MADE ARRANGEMENTS TO MAKE TOKEN REPAYMENTS (HAT Q35)

Q38. You mentioned that you had arranged to make a token repayment on your debt. Have you since been able to settle your debt or agreed to make a higher payment?

- a. No
- b. Yes agreed to make a higher repayment, but still only a token sum
- c. Yes, agreed to make a higher repayment that will pay off my debt gradually
- d. Yes, settled my debt at an agreed level that was lower than the balance outstanding
- e. Yes, settled the full balance outstanding

Q39. Thinking now of the outcomes of debt advice; Which of the following did you experience as a result of the debt advice you received: Choose as many as apply: [MR]

- a. Relief from stress
- b. Prioritise my outgoings effectively
- c. Regain control of my budget
- d. Pressure from my creditors reduced / stopped
- e. Regain control over my life / finances
- f. Able to repay my debts
- g. Plan effectively for the future
- h. Became more effective money manager

- i. Better at handling borrowing and credit
- j. CODE None of these
- k. CODE Any of a – I “Any of these”

Q40. On a scale of 1 – 5, how satisfied were you with the overall outcomes of the debt advice you received? With 1 being very dissatisfied and 5 being very satisfied. DO NOT READ OUT

- a. Very satisfied (5)
- b. Quite satisfied (4)
- c. Neither satisfied nor dissatisfied (3)
- d. Quite dissatisfied (2)
- e. Very dissatisfied (1)

Q41. Again, on a scale of 1 – 5 , how satisfied were you with the overall quality of the debt advice service you received? With 1 being very dissatisfied and 5 being very satisfied. DO NOT READ OUT BUT PROMPT AS NECESSARY

- a. Very satisfied (5)
- b. Quite satisfied (4)
- c. Neither satisfied nor dissatisfied (3)
- d. Quite dissatisfied (2)
- e. Very dissatisfied (1)

Q42. In the current economic circumstances it may be less easy to provide face to face support to everyone who wants it. Provided you were talking to a trusted and independent organisation and to a trained debt advice professional with good people skills, How comfortable do you think you would feel about receiving debt advice by phone? DO NOT READ OUT BUT PROMPT AS NECESSARY

- a. Very comfortable
- b. Quite comfortable
- c. Neither comfortable nor uncomfortable
- d. Quite uncomfortable
- e. Not at all comfortable

Q43. Some of debt advice may be delivered on-line in the future. Which of these features of an on-line debt advice service would be important to you in using an on-line debt advice service?

- a. Personalised tools to help you work out your options
- b. Down-loadable resources such as templates for letters that you could adapt to your own situation

- c. Ability to ask professional debt adviser questions by email
- d. Live web chat with professional debt adviser
- e. On screen chat with professional adviser that you could see face to face
- f. Telephone access to a professional adviser
- g. Don't know

Q44. Provided that you were dealing with a tried and trusted and independent organisation and that you could have email or telephone access to a trained debt advice professional if you wanted to, how comfortable do you think you would feel about receiving debt advice on-line? DO NOT READ OUT BUT PROMPT AS NECESSARY

- a. Very comfortable
- b. Quite comfortable
- c. Neither comfortable nor uncomfortable
- d. Quite uncomfortable
- e. Not at all comfortable

Now finally, I'd just like to ask you a few questions about yourself to make sure we are talking to a cross section of people

Section 4: Demographics

Q45. Q1b RECORD GENDER FOR ALL

- a. Male
- b. Female

ASK ALL

Q46. Could I just check which age range you fall into?

- a. 01: Less than 18 (CLOSE)
 - b. 02: 18–25
 - c. 03: 26–45
 - d. 04: 46–65
 - e. 65+
-

Q47. Q.7 And which of the following applies to your housing arrangements?

- a. Renting private landlord
 - b. Renting Housing Association or Local Authority
 - c. Home owner
 - d. Other
-

Q48. And which of the following best describes your household?

- a. paid employment No-one working in
- b. occasional workers but no full time worker Part time or
- c. person working full time At least one

Q49. And may I ask which is the highest level of educational qualification you have obtained? DO NOT READ OUT PROMPT IF NECESSARY

- a. Second or higher degree
- b. Degree or degree equivalent
- c. A levels & Vocational level 3
- d. GCSE / O level
- e. Trade Apprenticeships / NVQ
- f. Other qualifications
- g. No formal qualifications

Q50. Which of the following best describes you?

- a. White
- b. Black
- c. Asian
- d. Mixed Race
- e. Other
- f. Refused

Q51. Q.6 And do you have any of the following? Choose as many as apply:

- a. Landline at home
- b. Mobile phone on contract
- c. Mobile phone PAYG
- d. Broadband internet at home
- e. Broadband internet at work
- f. Broadband internet other
- g. Internet but not broadband

Q52. Many people find it difficult dealing with officials and forms and that sort of thing. Which, if any, of these statements could apply to how you feel? Just say yes if you feel it applies to you when I read out the statement:

(READ OUT)

- a. I have difficulties with filling out forms
- b. I'm not very good with numbers
- c. I find reading and writing difficult
- d. I feel intimidated going into offices or institutions I'm not familiar with
- e. I'm not very confident with officials or staff I don't know
- f. None of these

Q53. Does any of the following apply to you / anyone living in your household?

- a. Mobility impairment or other physical disability
- b. Major health condition such as diabetes or heart disease
- c. Learning disability
- d. Mental health problems
- e. Problems with drug or alcohol abuse
- f. None of these

Q54. And finally may I ask you into which of the following ranges, your household income would fall, before any taxes and deductions?

- a. Less than £925 per month
- b. £925 per month to £2,025 per month
- c. £2,026 to £3,125 per month
- d. £3,126 to £4,925 per month
- e. More than £4,926 per month

CODE ANY MORE THAN £2,025 PER MONTH

Appendix D. Online questionnaire for self-selected sample of debt advice clients

Section 1: The debt advice experience

Q1. And which of these debt advice agencies were you aware of before you first contacted a debt advice service? Please choose as many as you were aware of at the time: [MR]

- a. Citizens Advice
- b. Pay-plan
- c. National Debt Line
- d. Consumer Credit Counselling service
- e. Other free debt advice service
- f. Other paid-for debt advice or debt management service
- g. None of these

Q2. And when you first approached CCCS Debt Remedy what were your initial expectations: Please choose only one answer: [SR]

- a. That I would get some information on dealing with my debts
- b. It would tell me where to go to get detailed advice and help with my debts
- c. It would give me information on what to do and/or resources I could use to deal with my creditors myself

IF YOU EXPECTED IT TO POINT YOU TO WHERE YOU COULD GO FOR DETAILED DEBT ADVICE (OPTION B) PLEASE ANSWER QUESTION 3. OTHERWISE PLEASE GO TO QUESTION 4.

Q3. And if you were thinking in terms of getting professional debt advice, did you want that debt advice to be provided:

- a. Face to face
- b. By telephone
- c. Online
- d. Didn't mind

IF YOU WANTED ONLINE ADVICE (OPTION C) PLEASE ANSWER QUESTION 4. IF YOU WEREN'T LOOKING FOR ON LINE ADVICE PLEASE GO TO QUESTION 5

Q4. And when you say you were looking for online advice, at this point did you want: [MR]

- a. Information
- b. Resources such as templates to help you write your own letters
- c. Personalised advice relating to your specific circumstances

Q5. And when you started using CCCS Debt Remedy which, if any, of these were you hoping to be able to achieve? Please choose as many answers as apply: [MR]

- a. Information on my options and rights
- b. To stop pressure from creditors
- c. Reassurance that my problems could be solved
- d. A way to repay my debt over time
- e. A way to stop my debt going up
- f. To reduce my payments
- g. To reduce/write-off my debt
- h. To stop court/eviction or repossession action

Q6. Thinking of your experience of using CCCS Debt Remedy, please say whether you agree or disagree with the statements below, with 1 being disagree strongly and 5 being agree strongly:

- a. I got as much support as I needed
1 2 3 4 5

- b. I was comfortable with the way the advice was given
1 2 3 4 5

- c. I understood the advice I was given
1 2 3 4 5

- d. I was able to follow the advice and recommendations I was given
1 2 3 4 5

Q7. And would you say that CCCS Debt Remedy debt advice service did: [SR]

- a. More for you than you expected
- b. About what you expected
- c. Less for you than you expected

Q8. Which of the following is important to you in using debt advice? Please choose as many as apply: [ROTATE ORDER] [MR]

- a. Knowing I can trust in the integrity of the organisation
- b. Being assured of privacy and confidentiality
- c. Being confident they wouldn't judge me
- d. Knowing I'd get professional expert advice
- e. Convenient access
- f. Getting advice that is tailored to my situation
- g. Being given clear and simple options
- h. Being confident that the advice is unbiased and independent
- i. Being anonymous

Q9. And thinking now of your personal experience with CCCS Debt Remedy. Which of those factors were a feature of your own experience? Choose as many as apply: [MR]

- a. Knowing I can trust in the integrity of the organisation
- b. Being assured of privacy and confidentiality
- c. Being confident they wouldn't judge me
- d. Knowing I'd get professional expert advice
- e. Convenient access
- f. Getting advice that is tailored to my situation
- g. Being given clear and simple options
- h. Being confident that the advice is unbiased and independent

Q10. Which of the following happened as a result of the debt advice you received? Choose as many as apply: [MR]

- a. Court action/repossession stopped
- b. Debts stopped increasing/interest frozen
- c. Payments reduced to manageable level
- d. Some/all of debt written off
- e. Debt management plan set up
- f. Debt relief order (DRO) put in place
- g. Individual Voluntary Arrangement (IVA) put in place
- h. Arrangement to pay each of my creditors £1 per month until my circumstances change
- i. Arranged to make other token payment to creditors until my circumstances change
- j. Bankruptcy

IF YOU MADE AN ARRANGEMENT WITH YOUR CREDITORS THROUGH A DEBT MANAGEMENT PLAN, DEBT RELIEF ORDER OR IVA OR IF YOU ARRANGED TO MAKE A TOKEN PAYMENT (E, F,G, OR H ABOVE) PLEASE ANSWER Q 11 EVERYONE ELSE GO TO Q28

**Q11. And how long ago did you make this arrangement with your creditors?
Please choose only one answer: [SR]**

- a. Less than 12 months ago
- b. Between 1 and 2 years ago
- c. Between 2 – 3 years ago
- d. Between 3 – 5 years ago
- e. More than 5 years ago

Q12. And have you kept up with the payments on this arrangement/did you pay for the full term of the agreement?

- a. Yes, made all of the payments as agreed
- b. Yes, made most of the payments to time
- c. I was only able to keep up repayments for a while
- d. No, I wasn't able to make the payments as agreed

IF YOU MADE ARRANGEMENTS TO MAKE TOKEN REPAYMENTS (OPTION H or I AT Q10). IF YOU DID NOT ARRANGE TO MAKE A TOKEN REPAYMENT GO TO Q13

**Q13. If you agreed to make a token repayment to your creditors have you since been able to settle your debt or agreed to make a higher payment?
Please choose only one answer: [SR]**

- a. No
- b. Yes agreed to make a higher repayment, but still only a token sum
- c. Yes, agreed to make a higher repayment that will pay off my debt gradually
- d. Yes, settled my debt at an agreed level that was lower than the balance outstanding
- e. Yes, settled the full balance outstanding

Q14. Thinking now of the outcomes of debt advice; which of the following did you experience as a result of the debt advice you received? You can choose as many as apply: [MR]

- a. Relief from stress
- b. Prioritised my outgoings more effectively
- c. Regained control of my budget
- d. Pressure from my creditors reduced/stopped
- e. Regained control over my life/finances
- f. Was able to repay my debts
- g. Can plan effectively for the future
- h. Became better at money management
- i. Became better at handling borrowing and credit
- j. None of these

Q15. How satisfied were you with the overall outcomes of the debt advice you received? [SR]

- a. Very satisfied
- b. Quite satisfied
- c. Neither satisfied nor dissatisfied
- d. Quite dissatisfied
- e. Very dissatisfied

Q16. How satisfied were you with the overall quality of the debt advice service you received? [SR]

- a. Very satisfied
- b. Quite satisfied
- c. Neither satisfied nor dissatisfied
- d. Quite dissatisfied
- e. Very dissatisfied

Q17. Overall, how comfortable did you feel about receiving debt advice online? [SR]

- a. Very comfortable
- b. Quite comfortable
- c. Neither comfortable nor uncomfortable
- d. Quite uncomfortable
- e. Not at all comfortable

Q18. Which of these features of an on-line debt advice service would be important to you? Please choose as many as apply: [MR]

- a. Personalised tools to help you work out your options
- b. Down-loadable resources such as templates for letters that you could adapt to your own situation
- c. Ability to ask professional debt adviser questions by email
- d. Live web-chat with professional debt adviser
- e. On screen chat with professional adviser that you could see face to face
- f. Telephone access to a professional adviser
- g. Don't know

We'd like to ask you a little bit of background about your position when you first approached CCCS Debt Remedy. We are asking these question because, although CCCS has details of your case, this survey is entirely anonymous and in analysing the results we want to be able to distinguish between groups whose difficulties were more or less urgent when they came to us for help. It would be very helpful if you were able to provide this background.

Q19. And thinking back to the period immediately before you approached CCCS Debt Remedy, which of these would best describe your position at that time? Please choose the answer that best reflects your situation at the time: [SR]

- a. Facing immediate court/repossession action
 - b. Creditors threatening court/repossession action
 - c. Falling behind but not facing threats of court action
 - d. Keeping up with repayments but it was a real struggle
 - e. Managing repayments for the time being but worried about the future
-

Q20. And which of these best describes what was happening with your repayments before you consulted debt advice? Please choose the answer that best reflects your situation at the time: [ROTATE ORDER] [SR]

- a. I kept making repayments in full even though it was a struggle
 - b. I agreed to reduced payments and managed to keep up
 - c. I arranged reduced payments but couldn't keep them up
 - d. None of these
-

Q21. Which, if any, of the following had happened to you before you approached CCCS Debt Remedy? You can choose as many as apply to you: [MR]

- a. Had been charged for missing direct debit payments
- b. Couldn't pay off an overdraft
- c. Was charged fees for going over my overdraft limit
- d. Had maxed-out a credit card
- e. Had been making the minimum payment on my credit card for a long time
- f. Had missed repayments on my credit cards or loans
- g. Was more than three months behind on credit card or loan repayments
- h. Had missed mortgage or rent payments
- i. Was more than three months behind on mortgage or rent payments
- j. Had fallen behind with my household bills
- k. Was more than three months behind with my household bills
- l. None of these

Q22. And at that point which of the following types of organisations did you owe money to? Please choose as many answers as apply to you: [MR]

- a. Bank
- b. Credit card company
- c. Mortgage lender
- d. Housing Association/local authority/council
- e. Private landlord
- f. Utility company (gas/electric/water etc.)
- g. Phone company – landline or mobile
- h. Broadband/cable/satellite provider
- i. Store card/hire purchase (HP) agreement
- j. Mail order/catalogue/club book
- k. Pawnbrokers or companies like Cash Converters
- l. Rent-to-own companies like Brighthouse
- m. Home credit company like Provident
- n. Pay day lenders like wonga.com or MoneyShop
- o. Other

Q23. And thinking now of all the money that you owed at that time, how much would you say you owed in total? [SR]

- a. Less than £2,499
- b. £2,500 – £4,999
- c. £5,000 – £9,999
- d. £10,000 – £14,999
- e. £15,000 – £19,999
- f. £20,000 – £29,999
- g. £30,000 – £39,999
- h. £40,000 – £49,999
- i. £50,000 – £60,000
- j. More than £60,000
- k. Don't know
- l. Refused

Now finally, I'd just like to ask you a few questions about yourself to make sure we are talking to a cross section of people

Section 4: Demographics

Q24. Are you

- a. Male
- b. Female

ASK ALL

Q25. Which age range you fall into?

- a. 18–25
 - b. 26–45
 - c. 46–65
 - d. 65+
-

Q26. Which is the highest level of educational qualification you have obtained?

- a. Second or higher degree
 - b. Degree or degree equivalent
 - c. A levels & Vocational level 3
 - d. GCSE/O level
 - e. Trade Apprenticeships/NVQ
 - f. Other qualifications
 - g. No formal qualifications
-

Q27. And finally may I ask you into which of the following ranges, your household income would fall, before any taxes and deductions?

- a. Less than £925 per month
- b. £925 per month to £2,025 per month
- c. £2,026 to £3,125 per month
- d. £3,126 to £4,925 per month
- e. More than £4,926 per month

Appendix E: Alternative self-selected online sample research results

An online survey was undertaken with a larger (128) but self-selected sample of online clients. This was intended to complement the small (65), but proportionate and representative, sample of free-found online clients within the overall sample of advice clients in the main quantitative survey. The results from the self-selected sample are presented here. In the event, the profile of the self-selected sample suggests that these clients were facing less serious problems than the online clients in the representative survey.

Numbers in the notes refer to the reference in the main text.

1. The picture of brand awareness arising from the self-selected online sample is mixed. The small but representative sample of online users had relatively high prior awareness of Citizens Advice (45%) with 12% claiming also to have been aware of the Consumer Credit Counselling Service, the largest and longest established source of online debt advice. To some extent the larger online sample, sourced primarily from CCCS clients, reflects this picture with 31% claiming to have prior awareness of Citizens Advice and 24% to have been aware of CCCS and 17% of other paid-for debt advice brands.
2. The self selected online sample had much lower levels of response to all the items in the question relating to expectations of debt advice compared to respondents in the main telephone survey. This reflects the self-completion methodology. Although the level of response is much lower, the overall distribution is not dissimilar to the representative survey, albeit it suggests lower levels of concern about preventing court action or of aspiration for debt write off. In the self-selected online sample debt repayment was the highest priority aspiration among online debt advice users, at 19%, followed by reassurance that problems could be solved, (17%) and stopping pressure from credit (16%). Some 13% were concerned to stop debt escalating and to reduce payments. Only 5% claimed to have been either hoping to achieve a degree of debt write off or to stop court proceedings.
3. In the self-selected online sample only 2% of respondents felt that court action had been prevented.
4. In the self-selected online sample less than 1% claimed to have any debt written off.
5. In the self-selected sample, reducing payments to a manageable level was one of the most important outcomes as with the representative sample, but at a claimed 31%, at a much lower level than the representative data would suggest.
6. The self-selected sample of online clients suggests a very different outcome to that arising from the representative data. Only 4% claim to have made an agreement to make a token £1 a month payment to creditors and less than 1% to make a more substantial but still token payment on their debt.
7. The survey of the larger self-selected online sample suggested that 92% of those clients with debt management plans had made all the payments as agreed, with 4% largely keeping up payments, and a 5% failure rate.
8. Less than 1% of clients in the self-selected online sample had gone bankrupt.
9. Just 2% of the self-selected sample of online clients admitted to having faced immediate court action, with 20% to facing threats of court action.
10. In the self-selected online sample just one in five (19%) of clients felt that their debt stopped escalating as a result of consulting debt advice.
11. The data from the self-selected sample of online clients suggested that 38% made a DMP, 2% a DRO and less than 1% an IVA.