



# Topical Digest

## Money advice and debt

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Service



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## Debt and money advice

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**This Topical Digest provides a reading list on the issue of debt and money advice. We have included a selection of the latest research, statistical sources, advice and advocacy resources, and news articles from Northern Ireland and the UK.**

**Should MLAs or their constituency staff have suggestions for information they would like to see in the guide, or have links to useful sources that they would like to share, please feel free to contact the Research and Information Service at: [RLS@niassembly.gov.uk](mailto:RLS@niassembly.gov.uk)**

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## 1 Introduction

A significant number of households are struggling amidst the cost of living crisis with associated rising energy costs, mortgage and rental increases, and food price inflation. As the reading provided in this Topical Digest demonstrates, the lowest earning households, vulnerable people with physical and mental health conditions, households with children, carers, and women are often reported to be among the most heavily impacted. Local and national advice organisations play a critical role not only in supporting individuals and families with debt issues but also by providing research and resources to help develop a deeper understanding of the issue. This Topical Digest therefore draws together a reading list on a selection of some of the latest research, statistical sources, advice and advocacy resources, and news articles on the issue of money advice and debt in Northern Ireland and the UK.

## 2 Strategies, action plans, and programmes

The Department for Communities (DfC) has policy responsibility for financial capability, financial inclusion, debt and the commissioning of debt advice services in Northern Ireland. DfC had previously announced that it was developing a local debt respite scheme for Northern Ireland. The latest information on a [debt respite scheme for Northern Ireland](#) can be found on the DfC website.

A departmental '[Call for Evidence](#)' exercise ran from December 2022 to February 2023 which was the first step in developing a local debt respite scheme. A [summary of responses](#) was published in August 2023.

DfC further outlined plans to develop a refreshed independent advice and debt policy and delivery framework; see [Independent Advice and Debt – future plans](#). DfC had stated that this policy and delivery framework would include a focus on the future commissioning of quality advice services to allow for a more strategic integrated approach in which the debt levy funding will also be a key element. A series of [workshop events](#) between April and June 2023 had been organised, open to all organisations who engage with or support independent advice and debt delivery.

**Please note that RalSe does not have any further updated information on the development and progress of either the debt respite scheme or the future plans for independent advice and debt. The DfC website states that for queries on the development proposals for this scheme can be referred to:**

**[AdviceServices.Team@communities-ni.gov.uk](mailto:AdviceServices.Team@communities-ni.gov.uk)**

## A debt respite scheme for England and Wales

The UK Government launched its “Breathing Space” debt respite scheme in May 2021. Available to people in England and Wales, the scheme is designed to allow individuals in debt respite from creditor action to fully engage with debt advice and seek a sustainable solution to their debts. Guidance on the UK scheme can be found [here](#) and on the Step Change website [here](#).

## Debt respite in Scotland

Scotland does not have a debt respite scheme like the ‘Breathing Space’ scheme in England. However, it does have an alternative, similar short term debt relief equivalent known as ‘[Statutory Moratorium](#)’.

The Scottish Government also supports the [Money Support Scotland](#) website that signposts households and businesses to debt and money advice to assist them during the cost of living crisis.

## Debt advice and support in the Republic of Ireland

The [Money Advice and Budgeting Service](#) (MABs) is funded by the [Citizen Information Board](#), a statutory agency responsible for the provision of information, advice and advocacy on a broad range of public and social services. MABs is a free, independent and confidential service for people who are in debt or at risk of falling into debt.

## 3 Third Sector publications

- Advice NI, [Manifesto](#) (February 2022) (this outlines Advice NI’s societal vision which includes measures to tackle poverty and debt).
- Ulster University & Women’s Regional Consortium, [Women’s experiences of the cost of living crisis in Northern Ireland – debt and the ability to save recommendations](#) (2023)

## 4 Sources of advice

- NI Direct, [Dealing with debt problems](#)
- NI Direct, [Cost of Living: Information and Advice](#)
- Advice NI, [Money and Debt](#)
- Citizens Advice, [Debt and money](#). See also their [debt and money policy research](#).
- Money Helper, [Dealing with debt](#)
- StepChange, [Debt advice](#). See also their [research and reports](#).
- Joseph Rowntree Foundation, [Debt](#)

- Christians Against Poverty, [Money and debt advice](#)
- The Insolvency Service, [Dealing with debt: options for paying off your debts](#) (21 March 2023)
- Bank of England, [What do I need to know about debt?](#) (18 March 2020)

## 5 Research reports

- Parenting NI & SOLUS, [The Impact of Financial Hardship on Single and Separated Parents in Northern Ireland](#) (October 2023)
- House of Commons Library, [Household Debt: Key Economic Indicators](#) (October 2023)
- Citizens Advice, [Debt time bomb: countdown to a household debt disaster](#) (September 2023)
- House of Commons Library, [Household debt: statistics and impact on economy](#) (August 2023)
- Christians Against Poverty, [Taking on UK poverty: Client report 2023](#) (May 2023)
- Ulster University & Women's Regional Consortium, [Women's experiences of the cost of living crisis in Northern Ireland](#) (June 2023)
- Citizen's Advice, [Priced out of debt relief: How upfront insolvency fees keep people stuck in debt purgatory](#) (March 2023)
- Christians Against Poverty, [Lifelines to Safety: Why credit is too often the only lifeline for people in difficult times, and accessible routes to safety](#) (November 2022)
- Consortium for the Regional Support for Women in Disadvantaged and Rural Areas, [Women Living with Debt](#) (September 2022)
- NI Consumer Council, [Lending, Savings and Debt Research: Northern Ireland Consumers \(Overview\)](#) (September 2022)
- Advice NI, [Illegal Lending – the story continues](#) (September 2022)
- Advice NI, [What's Next? The Future of Debt Advice](#) (April 2022)
- Joseph Rowntree Foundation, [Poverty in Northern Ireland 2022](#) (March 2022)
- The Trussell Trust, [Debt to Government, Deductions and Destitution: Qualitative Research Report](#) (February 2022)
- N Andelic and A Feeney, '[Poor mental health is associated with the exacerbation of personal debt problems: A study of debt advice adherence](#)', *International Journal of Social Psychiatry* (2022) Vol. 69:2
- Joseph Rowntree Foundation, [Dragged down by debt: Millions of low-income households pulled under by arrears while living costs rise](#) (October 2021)
- J Bell, et al., [The impact of Covid-19 and associated lockdown on financial difficulties, debt and illegal money lending](#) (August 2021)
- The Consumer Council, [Lending, Savings and Debt Research: Northern Ireland Consumers](#) (March 2021)
- Ulster University & Women's Regional Consortium, [Making ends meet: women's perspectives on access to lending](#) (February 2020)

- Christians Against Poverty, [Left Destitute by Debt](#) (June 2019)
- The Consumer Council, [Lending, Savings & Debt Research: Northern Ireland Consumers](#) (September 2019)
- Financial Conduct Authority, [The financial lives of consumers across the UK Key findings from the FCA's Financial Lives Survey 2017](#) (June 2018; updated January 2020)

## 6 Statistical sources

- Bank of England, [Money and Credit statistical release September 2023](#) (30 October 2023)
- The Money Charity, [The Money Statistics](#) (September 2023)
- Department for Communities, [Family Resource Survey for Northern Ireland](#) (June 2023)
- NI Consumer Council, [Northern Ireland Consumers and the Cost of Living – Pulse Survey](#) (July 2023)
- Bank of England, [Further details about total lending to individuals data](#) (5 June 2023)
- Department for Communities, [Northern Ireland poverty and income inequality report 2021-22](#) (March 2023)
- StepChange, [Statistics Yearbook: Personal Debt in the UK January – December 2022](#)
- Office for National Statistics, [Household debt in Great Britain: April 2016 to March 2018](#) (December 2019)

## 7 Selection of departmental news releases

- Department for Communities, [Views sought on debt respite scheme for Northern Ireland](#) (14 December 2022)
- Department for Communities, [Communities Minister encourages uptake of debt advice given financial impacts of pandemic](#) (9 November 2020)

## 8 Selection of media and other articles

- [‘Quarter of people are behind with at least one bill, says Citizens Advice’](#), *Belfast Telegraph*, 14 September 2023
- [‘Fifth of buy now, pay later customers ‘have used the credit to fund essentials’’](#), *Belfast Telegraph*, 1 September 2023
- [‘Bank of England interest rates rise adding ‘further financial strain’ on Northern Ireland households’](#), *Belfast Telegraph*, 3 August 2023
- [‘Consumer lending jumps to five-year high as squeezed households rely on credit’](#), *Belfast Telegraph*, 31 July 2023
- [‘The cost of debt for low-income households in the cost of living crisis’](#), *Joseph Rowntree Foundation* blog post, 31 July 2023
- [‘Millions of UK families using credit cards and loans to pay basic bills’](#), *The Observer*, 30 July 2023

- [‘Charities warn over adverts promising ‘quick fixes’ for debt problems’](#), *Belfast Telegraph*, 24 July 2023
- [‘CAP signs joint letter to the Chancellor on Buy Now Pay Later regulation’](#), *Christians Against Poverty* blog post, 18 July 2023
- [‘1.3 million households missed a bill payment in a single month, Which? warns’](#), *Which? Press Office*, 13 July 2023
- [‘Almost 13 million adults now struggling to pay bills, debt charity warns’](#), *The Guardian*, 2 July 2023
- [‘Landmark research reveals ‘devastating’ extent of food poverty in Northern Ireland’](#), *Belfast Telegraph*, 28 June 2023
- [‘One in seven aged 65 and over turning to loans and credit cards, survey finds’](#), *Belfast Telegraph*, 22 June 2023
- [‘Cost of living crisis leaving Northern Ireland debt clients with unsustainable budgets’](#), *Belfast Live*, 24 May 2023
- [‘UK households facing ‘debt timebomb’, warns Citizens Advice’](#), *The Guardian*, 28 April 2023
- [‘StepChange client debt levels up by 25% in 2022’](#), *Step Change*, 29 March 2023
- [‘CAP provides evidence to the Northern Ireland Affairs Committee on ‘The effect of paramilitary activity and organised crime on society in Northern Ireland’](#)”, *Christians Against Poverty*, 27 February 2023
- [‘How to prioritise your debt and reclaim control of your finances’](#), *Belfast Telegraph*, 23 January 2023
- [‘Stress, anxiety and hopelessness over personal finances widespread across UK - new mental health survey’](#), *Mental Health Foundation*, 17 November 2022
- [‘Feeling the pinch’](#), *Irish Examiner*, 17 September, 2022
- [‘Stress of tackling big debts head on: ‘You don't want to be a failure’](#), *The Irish Times*, 16 April, 2022
- [‘The State of Hunger: The Debt Crisis Facing Households at Food Banks’](#), *The Trussell Trust* blog post, 22 June 2021
- [‘Paramilitary money lenders forcing people into crime to pay debts, campaign highlights’](#), *Belfast Live*, 15 June 2021
- [‘Personal debt levels in Northern Ireland ‘highest in UK’](#)”, *BBC News*, 20 June 2018

## 9 Useful links

Assembly Questions on the topic of debt can be accessed via [this link](#), or by navigating to the AIMS Portal on the Assembly website.

This information is provided to MLAs in support of their Assembly duties and is not intended to address the specific circumstances of any particular individual or organisation. Whilst we strive to ensure that the information provided here is up to date, the information on external websites referred to may change frequently. This leaflet should not be relied upon as providing legal or professional advice, nor as a substitute for it. A suitably qualified professional should be consulted if specific advice or information is required.

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