

SAMH'S VIEW:

DEBT AND MENTAL HEALTH

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ABOUT THE SAMH'S VIEW SERIES

SAMH's View statements set out SAMH's position on a particular policy topic.

In developing SAMH's position, the issues of equalities, diversity and human rights are investigated.

SAMH Views are produced by the Public Affairs team.

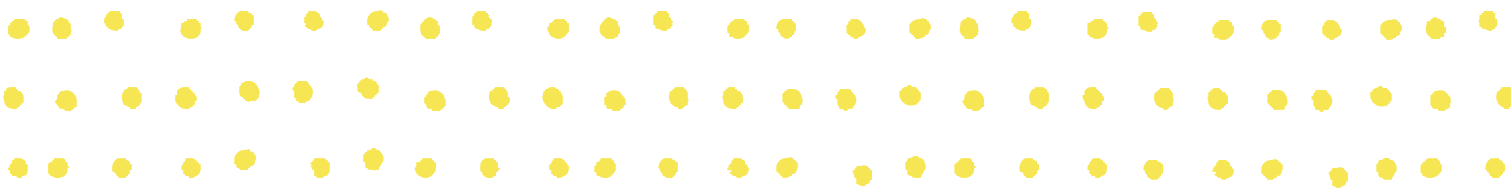
Context

Since the beginning of the pandemic, the income of at least 14 million adults in Great Britain has reduced to a level that has affected their ability to meet everyday costs.¹ Additionally, nine million people in the UK have borrowed more because of the coronavirus and over seven million are behind on their bills.^{2,3} Worryingly, protection from schemes like the Job Retention Scheme, the £20 a week Universal Credit uplift and payment holidays mean that we do not yet know the full impact of the pandemic on debt.^{4,5,6}


People with mental health problems were already three times more likely to be in debt than those without.⁷ Mental health problems can make managing finances and controlling spending more difficult.^{8,9} In addition to this, research suggests that debt can negatively affect a person's mental health.¹⁰ Therefore, debt is both a cause and consequence of mental health problems.

Key points

- 86% of people with mental health problems feel their financial situation makes their mental health worse and 72% say their mental health makes their financial circumstances worse.¹¹
- Research suggests people with mental health problems are more likely to use "Buy Now, Pay Later" services like Klarna or ClearPay. They are also twice as likely to fall behind on payments and end up in debt as a result.¹²
- Being in debt is strongly associated with having suicidal thoughts.¹³ Twenty-eight per cent of people seeking debt advice from one anti-poverty charity say they considered or attempted suicide to escape being in debt¹⁴
- One in six debt advisers find it difficult to respond when a client discloses a mental health problem and 16% admit they would not know what to do if they thought a client was at risk of suicide.¹⁵
- The five week wait for the first payment of Universal Credit caused financial difficulty for 92% of clients receiving support from a major UK debt advice charity. Significantly, over half of all clients at the same charity are known to have a mental health problem.¹⁶
- The UK Government has said it will scrap the £20 a week uplift of



Universal Credit in October 2021. The Resolution Foundation estimate that rising unemployment along with the removal of this uplift will cause 1.2 million people to fall into relative poverty, this includes 400,000 children.¹⁷

- Between 2014 and 2016, 30% of people in the UK who asked a healthcare professional to provide their creditor with evidence of their mental health problem were charged. Charges ranged between £30 and £50.¹⁸
 - About a third (32%) of women believe they will have more debt after the pandemic compared to 17% of men. In the same survey, women (59%) were almost twice as likely to say their mental health had worsened since March 2020 than men (30%).¹⁹
 - Black, Asian and Minority Ethnic people in Britain have lower levels of savings or assets than White British people and are also less likely to seek advice and support for their debt.^{20, 21}
 - Fifty-four per cent of people who have taken time off work because of their mental health problems, and seen their income fall as a result, say that this made them fall behind on paying bills and household payments.²²
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SAMH calls for:

- Mental health awareness training for staff working in creditor organisations, front-line collection agencies and debt advice organisations to ensure those working closely with people in debt understand the relationship between debt and mental health.
- A dedicated team or staff member in all creditor organisations to have undertaken specialist mental health awareness training.
- NHS Education Scotland (NES) to develop resources that support health and social care professionals to confidently ask patients about financial matters, offer support and refer them to appropriate debt and welfare advice services.
- Community Link Workers to be embedded in every GP surgery in Scotland by the end of the next parliamentary term to ensure more people access to non-clinical support, including support for managing finances, navigating the social security system and resolving housing issues
- Local Integrated Joint Boards (IJBs) to provide cultural awareness and sensitivity training, which covers attitudes to help-seeking and debt amongst different groups and religions, for Community Link Workers.
- Scotland to follow England and Wales by putting an end to the charging by healthcare professionals to fill out a Debt and Mental Health Evidence Form (DMHEF). This form can encourage creditors to change the way they engage with customers with mental health problems, make adjustments to their payment terms or even write off debt altogether.
- The Scottish Government to update the Debt Arrangement Scheme by adopting aspects of the UK Government's Breathing Space Scheme, including the extension of the breathing space period for the duration that an individual is receiving mental health treatment.
- The immediate abolition of the unjustified five week wait for the first payment of Universal Credit.
- The UK Government to retain the £20-a-week uplift to Universal Credit.
- The Scottish Government to fund an in-work support programme for people with mental health problems, taking learning from the Health and Work Support pilot.



Further detail:

FURTHER READING

- [Money and Mental Health Policy Institute](#)
- [StepChange Scotland: Scotland in the Red 2019](#)

DEBT ADVICE

- [Citizens Advice Scotland: Money Talk Team](#)
- [Money Advice Scotland](#)
- [Step Change](#)

Notes

¹ StepChange, [Stormy Weather](#), 2021

² Office for National Statistics, [Coronavirus and the impact on UK households and businesses](#), 2021

³ Citizens Advice, [Debt at the close of 2020](#), 2020

⁴ StepChange, [Scotland in the Red 2020](#), 2021

⁵ Resolution Foundation, [The Living Standards Outlook July 2021](#), 2021

⁶ House of Commons Library, [Coronavirus: impact on household debt and savings](#), 2021

⁷ Mind, [Still in the red: Update on debt and mental health](#), 2011

⁸ Money and Mental Health Policy Institute, [Money on Your Mind](#), 2016

⁹ Mind, [Still in the red: Update on debt and mental health](#), 2011

¹⁰ Mind, [Still in the red: Update on debt and mental health](#), 2011

¹¹ Money and Mental Health Policy Institute, [Money on Your Mind](#), 2016

¹² Money and Mental Health Policy Institute, [Buy now, pay later: Problems in the point sale credit market](#), 2017

¹³ Meltzer, H. et al. [Personal Debt and Suicidal Ideation](#) (2010)

¹⁴ Christians Against Poverty, [Client Report 2020](#), 2021

¹⁵ Money and Mental Health Policy Institute, [Vulnerability: the experience of debt advisers](#), 2018

¹⁶ StepChange, [Problem debt and the social security system](#), 2020

¹⁷ Resolution Foundation [The Living Standards Outlook January 2021](#), 2021

¹⁸ Money and Mental Health Policy Institute, [Stop the Charge Policy Note, 2016](#)

¹⁹ Close the Gap, [Joint briefing on the impact of COVID-19 on women's wellbeing, mental health, and financial security](#), 2021

²⁰ Runnymede Trust [The Colour of Money](#), 2020

²¹ John Gathergood, [Demand, Capacity and Need for Debt Advice in the United Kingdom](#), 2013

²² Money and Mental Health Policy Institute, [Too Ill to Work, Too Broke Not To: The cost of sickness absence for people with mental health problems](#), 2018