

# Snapshot

Monthly advice trends in Scotland



*Case evidence and statistics from the Scottish CAB Service*

# A Snapshot of Scotland

In 2010/11, citizens advice bureaux (CAB) in Scotland helped over 230,000 clients with over half a million new problems. That's over 1,500 new problems brought to CAB each day of the year. More than 2,200 trained volunteers and paid staff ensure that thousands of people in Scotland receive vital advice every day.

However, the Scottish CAB Service isn't just the country's leading independent advice service, it's also a leading advocate for social change.

We collect evidence from around the country and use it to demonstrate that change is required. We think this is so important that it's one of our twin aims – to exercise a responsible influence on the development of social policies and services, both locally and nationally. We work with the Scottish and UK Governments, benefit delivery agencies, banks, private companies, and other third sector organisations, to ensure that the problems that are seen in the CAB can be translated into better policies and practices in the future.

Snapshot uses bureau evidence to act as an early warning system for government, service providers, and private sector companies, of where policies and practices are failing or inefficient. These monthly briefings use very recent evidence and will be an excellent way of spotting trends in social policy and tracing the impact of recent policy changes. The briefings will be of use to politicians, government departments, the private sector, and third sector organisations.

## Key trends in August

These statistics are based on the client data recorded by 52 member CAB based in 26 local authorities across Scotland in August 2012. These bureaux dealt with 87% of the total advice need seen at CAB offices in Scotland last year. The overall figures for the work of bureaux across Scotland will therefore be higher than those recorded in this report. In August 2012:

- CAB advised on 41,353 new issues – around 1,800 new issues per working day. This was an 8% increase in issues compared to July. Over 15,000 clients were helped with new issues in August. This is the highest demand for advice recorded in 2012.
- Clients were better off by £7.9 million as a result of advice received at citizens advice bureaux – nearly £350,000 per working day. This includes almost £3.8m in debt rescheduled or written off and almost £4.0m in additional benefit entitlement.
- Citizens advice bureaux provided representation at 336 tribunals or court cases, including 311 welfare tribunals. Clients were successful in 59% of welfare tribunals.
- Advisers helped clients to complete 2,220 forms or applications – around 97 per working day – including 1,860 benefit forms.

# Types of Problems

Bureaux advised on an additional 3,200 new issues compared to July. Around 1,500 of these additional issues related to benefits. The demand for advice increased across all areas of need, including consumer goods, employment, health and legal issues.

## Top 10 most common issues

Issue	Number of instances	Change since July
ESA	2,462	+11%
Housing Benefit	1,576	+9%
Private rented housing	1,555	+3%
DLA (Care)	1,404	+11%
Personal loan debts	1,367	+3%
DLA (Mobility)	1,309	+14%
Council Tax Benefit	1,203	+15%
Credit card debt	1,131	-4%
Debt remedies	1,031	+8%
JSA	976	+8%

Credit card debt appears to be decreasing as an area of advice need at bureaux. From being the most common issue that clients seek advice on in 2009/10 and 2010/11, credit card debt issues were the eighth most common at bureaux in August 2012. This is likely to represent two trends. Firstly, that personal loan debts are increasingly becoming the most likely debt that clients seek advice about. Secondly, that welfare changes are driving demand for advice on benefits such as ESA and Housing Benefit.

August saw the highest number of regulated fuel (gas/electricity) cases brought to bureaux in this calendar year. This was an increase of 54% compared to July. The rise related in large part to issues concerning Warm Home Discount and applications for energy assistance. The service launched the Energy Best Deal + project in July which is likely to be responsible for this rise.

Other issues which increased in frequency in August include health related issues, such as residential care and community care, although the number of issues remain low. Employment issues also rose in August, including issues concerning tribunals, dispute resolution and redundancy.

Issue	Number of instances	Change since July
Residential care	68	+58%
Regulated fuel	963	+54%
Funeral payment	70	+49%
Community care	105	+42%
Hire purchase arrears	93	+37%
Employment tribunals	184	+34%
Charitable applications	215	+34%
Pension Credit (savings)	157	+32%
Actual homelessness	148	+31%
Child Benefit	338	+29%

# Issue of the month: Fuel Poverty

As winter approaches, bureaux are likely to see an increase in fuel and energy related enquiries. The Citizens Advice service is running Big Energy Saving Week (22-27 October 2012) - a national campaign to help people cut their fuel bills and get all the financial support they are entitled to.

If a household is spending more than 10% of its income on fuel, it is said to be in fuel poverty. In 2009, 32% of households in Scotland were experiencing fuel poverty. In 2011 this figure had risen to 40% of households, as compared to 25% in England and 30% in Wales. There are three interrelated reasons why a household might be in fuel poverty: the energy efficiency of the property; the rising cost of energy; and insufficient household income.

- ▶ A North of Scotland CAB reports of a client who came to the bureau as part of the Energy Best Deal Project to check whether he may be eligible for any savings on fuel costs and information on energy efficiency measures. The client spends as little as possible on energy as he cannot afford much. He was informed by his suppliers that he was not in fuel poverty as he spent so little, so he was not eligible for the Warm Home Discount. The client is very careful about his energy usage: if he has the computer on, he turns off the lights; and he does not use the central heating.
- ▶ A West of Scotland CAB reports of a client who has been sanctioned for not attending Jobcentre appointments and payments have been stopped for two weeks. The client has claimed crisis loan in the past, so is unable to make a repeat claim. The client is collecting a food parcel from Salvation Army, but cannot put any electricity on the meter. The client wanted to know if there was any help available for paying for fuel.
- ▶ An East of Scotland CAB reports of a client who has had problems with electricity bills. He signed up to a one year tariff in October 2011 for monthly payments by direct debit. He had no meter reading until August 2012 and was then asked to pay an increased monthly payment of £70 which includes arrears payments. The client lives alone in a 1 bedroom flat which is all electric including wall heaters. He receives benefits; however his Housing Benefit was reduced from June 2012 as he is now only entitled to the shared accommodation rate of £66.92 as he is under 35. He has phoned the supplier to no avail - they have only offered him a pre-payment tariff but if he signed up for this he would still have arrears and the cost of energy per unit is likely to be higher.

There are various energy assistance schemes available to individuals. These include the Carbon Emissions Reduction Target, provided by utility companies and the Energy Assistance Package provided by the government. If a client does not have insulation they can now get it for free under these schemes, but only until December 31st 2012. Without insulation, 70% of energy is lost through the walls and roof.

# Case analysis

## Fraud and Scams

Bureaux across Scotland have submitted cases of clients who have been victims of fraud. Many of these have involved telephone calls from scam companies offering loans on the condition that the client pays an up-front fee in the form of online cash vouchers.

Ministry of Justice advice on fraud involving cash vouchers: Consumers are asked to purchase cash vouchers through a local high street shop and use the reference code to send the payment by email or over the telephone. If you have been a victim and paid money via the voucher scheme, contact the voucher supplier immediately to see if the payment can be blocked. <http://www.justice.gov.uk/help/fraud>

- ▶ A West of Scotland CAB report of a client who was cold called by a company who offered her a £5000 loan on the condition that she pay an upfront fee. The client transferred £350 in cash vouchers via paypoint (the client had borrowed money from her grandmother). Since then she's been receiving calls from numerous agents demanding more money for a loan of £7000. Each call comes via a different number - all based in London. The client does not know what to do. She has done research over the Internet on the numbers she received calls from and they are from various call centres based in London.
- ▶ An East of Scotland CAB reports of a client who has been receiving phone calls from a company telling her that she is entitled to £2400 from a PPI claim. To receive this she should obtain a cash voucher to the value of £269 which will cover the company's costs. She was told that this would not be asked for until the cheque from the company was cleared. Any enquiries they made suggested that this was a scam and when her son-in-law phoned to say that they had the voucher they insisted on getting the voucher number. The client wanted advice on what to do as she was feeling pressurised.
- ▶ An East of Scotland CAB reports of a client who applied for a loan in late July and was granted the full £2000 on 1st August. She was asked to make an initial month's payment of £120 by cash voucher, which she did. On 15th August, when nothing had been transferred into her account they asked for a further £145 by voucher to cover the "government tax" on the transaction, which she would get back with them paying £2145 into her account. On 16th August they again contacted the client seeking a further £155 to cover them for her poor credit rating, which the client refused to pay. She then asked for her other £265 to be returned, but the company are still calling her asking for the further £155. When the lender was called by the bureau and challenged about the tax charge of £145 not being a UK requirement they terminated the call.

## Financial Hardship

As we begin to see the impacts of recent changes to the welfare system, the number of cases brought to bureaux which show extreme client financial hardship has grown. The numbers of Scottish clients coming to CAB offices who have made an application to charitable funds has doubled over the last two years to 2,200.

- ▶ A West of Scotland CAB reports of a client who only eats three days out of seven and the other four days her and her husband live on toast as they use most of the food they are able to buy for their two nine year old children and milk formula for their four month old daughter (they only receive eight tokens a month). The client wanted to know if there were any food parcel schemes in the area.
- ▶ An East of Scotland CAB reports of a client who is experiencing financial hardship. The client's only income is Incapacity Benefit and Housing Benefit but, as a single adult, he is above personal allowance threshold and therefore the Housing Benefit awarded does not cover his full rent. The client's 14 year old daughter stays with half the week and he tends to give her money, if he can, for clothes, bus fares, food etc. He himself often goes without. He stated that he had not eaten for 5 days; cannot afford to put money in his pre-payment meters for gas and electricity; his washing machine does not work properly; and he has hardly any clothes.

There are certain less well-known changes to legislation which can be seen to exacerbate this situation such as the increase in the debtor application fees required to claim bankruptcy, and cuts to mortgage interest for Income Support claimants. We are interested to hear about other cases where clients have been affected by these less well-known changes.

- ▶ A West of Scotland CAB reports of a client who has been struggling with debts and health problems. She attempted to raise the £10 bankruptcy fee before the increase in April 2012. The client has suffered mental health and addiction problems and believes bankruptcy is the way forward for her but due to the increase in fees from £100 to £200 she is unable to use this option which would allow her to move forward.
- ▶ A North of Scotland CAB was contacted by The Merchant Navy Benevolent Office regarding a client who was injured on duty nine years ago, resulting in brain damage and serious damage to his lower spine, right hip and leg. The client is on Income Support, and receives mortgage interest. This client has been seriously affected by the drop in mortgage payments by the DWP since October 2010. The client's mortgage provider currently charge 4.79% whereas the DWP only pay 2.5%. This situation is adding considerably to the client's stress and hardship.

## Local Authority Housing and homelessness

Local authorities have a duty to assess and meet the needs of those who are homeless and require temporary accommodation. However, evidence suggests that clients' needs and individual situations are not always taken into account.

- ▶ An East of Scotland CAB reports of a client who has received a letter from the local authority saying that he has to be rehoused from his emergency temporary accommodation in [place name] to another town because they do not have the right accommodation. The client looks after his 90 year old mother who has severe dementia and also cares for his wife who also has mental health problems. He and his wife live separately as she has behaved violently to one of their children, but he cares for her in the way of shopping and regular visits with the children, both of which are important for her well-being. All three children are already disturbed at the thought of having to leave [place name] and he has supporting letters from their school. The client himself suffers from depression which is being exacerbated by this state of affairs. He was upset and tearful at times.

## Online applications for benefits

All Universal Credit claimants will be initially signposted to the self-service online channel, and other channels will be used as an exception rather than the rule. We are concerned that online applications will not be suitable for all claimants and are concerned that this will have a knock-on effect on bureau advice. We would like you send in cases where clients have struggled to apply online for benefits.

- ▶ An East of Scotland CAB reports of a client who went to the Job Centre to request a Job Seekers Allowance claim form. The client was handed a card advising her to go online to complete a claim form. The client informed the Job Centre staff member that she did not have a computer or a phone. The Job Centre staff member advised the client that this was the only way to make a claim. The client then went to the local authority to pick up a Housing Form and explained that she did not have a phone or a computer to make her Job Seekers Allowance claim, at which point she was advised to go to CAB and that she could complete the form there.
- ▶ A South of Scotland CAB reports of a client who has received sanctions to his Job Seekers Allowance for not using the internet to find jobs but the client has literacy issues (dyslexia) so did not feel able to do this. The client has been sanctioned for 2 weeks for not following a jobseeker's direction to use the internet. The client explained he has difficulty using the computer to the person dealing with his claim, but he was not warned that he would lose his benefit if he did not use the internet to look for work. The client can barely read and write

and feels that the staff at the Job Centre are unwilling to help him. He has no money and is currently homeless, having been evicted from his Eildon Housing Association home 4 weeks ago.

## Employment Support Allowance

A worrying trend has begun to emerge in social policy feedback forms where clients have not received a letter explaining decisions made in relation to ESA. Clients have not been told why they have failed their Work Capability Assessment or, if they have received a letter, there is very little detail about the reasons for scoring 0 or few points. If clients have been migrated from Incapacity Benefit without an assessment, there is often no letter to explain the decision of which group to place the client in. This explanatory letter is an essential part of effective and successful appeals. We would like to hear any cases where clients have not received a letter or have received one which has far too little detail.

- ▶ A West of Scotland CAB reports of a client who is a recovering alcoholic and suffers from nerve damage in both legs, feet and fingers. He also has liver disease and other ailments due to alcohol abuse and due to his medication he suffers bladder problems for which he sees a consultant. The client requires the support of a walking stick and suffers from pain and discomfort due to his condition. He was in receipt of housing benefit, council tax benefit and ESA but has come to the bureau for assistance as he recently attended a medical and has been informed he was not successful. The client does not have a letter – he was contacted by phone he had failed the medical and had 0 points.

## Social Housing Conditions and the Social Fund

The Social Fund is an essential resource for many clients who are allocated a tenancy without the necessary furnishings and appliances which they need to be able to live there. Changes to the Community Care Grant and Crisis Loan elements of the Social Fund meaning it will be administered by Local Authorities at a reduced budget to the current arrangements. Without the level of support currently offered by the Social Fund, there is a worry clients will have to turn to high interest means to buy the essential items they require to live in their tenancy.

- ▶ A West of Scotland CAB reports of a client who was homeless, and was given a Scottish Secure Tenancy with a registered social landlord. When he took on the tenancy, it was stipulated in the tenancy agreement that he must accept a charge for a furniture package worth £2000. The client must pay £141.66 per calendar month for six years. This works out at £10,199.52. The money the client has to pay appears excessive.

Citizens Advice Scotland and its member bureaux form Scotland's largest independent advice network. CAB advice services are delivered using service points throughout Scotland, from the islands to city centres.

**The CAB Service aims:**

to ensure that individuals do not suffer through lack of knowledge of their rights and responsibilities, or of the services available to them, or through an inability to express their need effectively

**and equally**

to exercise a responsible influence on the development of social policies and services, both locally and nationally.

The CAB Service is independent and provides free, confidential and impartial advice to everybody regardless of age, disability, gender, race, religion and belief and sexual orientation.

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