TOYNBEE HALL

Funded by

Money & Pensions Service

MONEY COACHING PILOT EVALUATION REPORT

March 2020

Contents

Summary

This report will set out the evaluation results of the Money Coaching pilot which attempted to integrate money support and financial capability building into an existing debt advice service. The pilot ran for 4 months and this stage of the evaluation takes place 12 months after the pilot project delivery ended and provides further data and analysis to an evaluation undertaken 3 months after the project in March 2019. This phase of the evaluation provides further insight into the long-term outcomes of the Money Coaching pilot and combines additional follow-up data to the pre and post survey data along with qualitative interviews to assess to what extent, if any, the desired outcomes were successfully met and then maintained. Most survey questions used a 5-point Likert scale with averages provided for both before and after intervention to determine overall change.

The evaluation process also involved a check-in with participants at 6 months to collect data and help maintain engagement. This stage also allowed us to analyse and assess the value of some of the survey questions and in response the questions were reduced to focus on the most significant areas. It was also felt that concerns around survey completion rates might be mitigated if the survey was not as long providing more relevant data overall.

The Money Coaching pilot was a short project pilot running for 4 months to test whether embedding financial capability building and coaching within an existing debt advice service would improve both financial resilience and skills, while also improving longer-term debt outcomes.

Outcomes for Participants

Improving Financial Resilience and Skills:

- Emotional and wellbeing outcome scores around money worries (+0.81), impact on relationships (+0.96) and confidence in financial future (+0.94) saw sharper increases in general than practical outcomes. Although there is some reduction 12 months later these scores still remain well above baseline levels (+0.52, +0.79 and +0.44 respectively).
- Budgeting and record-keeping showed mixed results and overall remained quite static from the pre-survey, although they were quite high to begin with and the majority of clients were already doing so.
- Encouraging budgeting and saving can add another pressure and create negative impact elsewhere. Saving is only worthwhile if basic needs are already being met.
- Knowledge of financial products and use of advice and comparison sites improved following the project. The average score for use of price comparison sites increased from 1.63 to 2.65, although some participants reported being unable to make changes to their use of financial products until arrears had been paid.
- Some of the proposed indicators for financial health are impacted by multiple variables, meaning they have to be considered in context. People demonstrated increasing budgeting and planning due to a worsening financial situation.

Improving Long Term Debt Outcomes:

- Money Coaches supported hard outcomes such as preventing eviction, seeking out training to improve employment opportunities, and support dealing with various organisations to resolve underlying issues.
- However, practical improvements made at the end of the project were not sustained significantly over 12 months after the engagement ended.
- Although confidence in speaking to creditors increased from an average score of 3 to 3.39, and was maintained over 12 months, clients still found it difficult to contact them. Council departments would also fail to communicate with each other (e.g. housing and council tax departments).

Understanding the Causes and Contributing Factors of Debt

- 57% of clients felt their debt was caused by their income being lower than their vital living costs, while only 2% felt it was due to overspending.
- The impact of mental health as both a contributor and a result of financial hardship not only affected the client's ability to engage with wider solutions but also the Money Coach's ability to fully determine the best solutions around capability, with 14% of participants reporting health issues as a direct reason for debt.
- Financial issues among participants were more often to do with financial shocks than day-to-day behaviour and capability. People's income to essential expenditure meant it was almost impossible to build savings to provide a buffer and provide financial resilience. While general scores on saving improved following the project, the amount of people agreeing they could not save due to their income being lower or equal to their essential living cost also went up.
- 39% of clients had arranged a repayment plan with their creditors prior to accessing the service. Repayment plans acceptable to the creditor were often not manageable even with financial capability coaching, particularly when arranged themselves.
- Irregular working hours can make planning difficult and impact ability to maintain repayments and manage money.

Strengths and Weaknesses of the Money Coaching Intervention

- The best outcomes were seen with those the coaches could spend a lot of time with to address the many aspects of the clients' situation but this puts a strain on the capacity of the coaches and the project.
- The length of the pilot was not sufficient enough to properly deliver the project as proposed with engagement required not only before and throughout the debt advice but also following the debt solution, which was often not achieved within the 4-month pilot. Some excellent support work had to be removed after the pilot ended before the situations were fully resolved.
- The length of the project also meant that it was difficult to improve and increase skills in the coaches.
- The support required extended beyond financial skills and knowledge. The factors that contribute to people's debt and financial situation can be varied and complicated. Some clients had the capability but not the 'strength' or 'energy' to engaging in any more than averting the immediate crisis. This support was also not always easy to access elsewhere.

Limitations of Existing Debt Advice Provision

- The crisis situation people often find themselves in by the time they access debt advice is not resolved quickly after receiving debt advice as many of the solutions can be drawn out.
- Work on the client's finances during debt sessions often focuses on payment offers and is currently geared towards creditor requirements rather than the reality of the client's income and expenditure.
- The ability of participants to create a savings buffer is only successful or appropriate if there is sufficient surplus to do so.

Key Learnings and Themes

- Interviewees were almost entirely positive about the money coaches even when they were dissatisfied with the debt service.
- Common themes throughout the interviews included stress and mental ill health caused by the participants financial situation, systems and processes that did not support resolving there issue and in some cases were a cause, not having enough income to make even small repayments and having to navigate multiple agencies to resolve issues.
- The approach needs to be more holistic rather than just debt advice and financial capability interventions – wider legal advice, welfare benefits, mental health support or lack off appear to have been common factors in the client's inability to find more lasting solutions.
- Financial support needs to also challenge systems of debt collection and wider financial pressures to be effective as capability building can often only mitigate systems that feel weighted against the individual.

Recommendations

- Future pilots / services should take place over a longer period. Where resources are limited it would advisable to spread resources over longer periods (e.g. rather than have 2 coaches working 35 hours per week for 3 months it should use the same resource for 17.5 hours per week for 6 months. This would allow user engagement over more realistic period in line with resolving people's debt issues and seeing significant life-changes in relation to finances.
- Coaching should be longer-term with logical step by step plans and ensure it considers the clients entire situation. While support before has benefits the bulk of the coaching needs to be done after debt solutions have taken effect.
- More in-depth training to be provided to the coaches to better meet the complex needs and diverse issues that contribute to people financial situations
- Improved connection between specialist support providers to provide the required holistic support and expertise.
- Creditors to review communication channels both internal and external and better understand situations that create debt.
- Creditors to ensure any debt repayment plans agreed are affordable and to understand the issues people in financial difficulty face
- Courts to provide clearer guidance on applying to vary a court order if they become unaffordable.

Introduction

The Money Coaching pilot took place over 4 months between September 2018 and December 2018 and sought to test whether providing one to one money support before, during and following the debt advice process would improve the service user's ability to maintain debt repayments, reduce repeat debt and raise capability / confidence to act independently to deal with financial difficulties.

Toynbee Hall, with an existing debt advice service and financial capability programmes, and the Money Advice and Pension Service (formerly the Money Advice Service), which has researched, tested and funded a number of projects and pilots in both areas, hoped to use existing knowledge and learning to improve both capability and debt service outcomes.

The pilot sought to engage 75 clients accessing the debt advice service and partner them with one of four Money Coaches who would work with them prior to the debt advice appointment and then continue to work with the client after the debt case was concluded to not only support the debt solution but help deal with the wider and underlying issues that get people in and keep them in debt and financial hardship.

The underlying issues around finances and the triggers that get clients into debt are not currently addressed through transactional debt advice, as although unmanageable debt can be serviced, the triggers, situation or behaviour that created the debt may continue, resulting in repeat use of advice services due to new debts and defaults on agreed repayments.

Improving knowledge and capacity has the potential to mitigate the demands on debt advice users' finances, speeding up the journey out of debt and building more resilience to future financial shocks.

Wider context

The Financial Capability Strategy for the UK, launched in 2015* by the Money Advice Service (now the Money and Pensions Service) states financial capability "gives people the power and the confidence to make the most of their money and improve their lives".

It defines Financial capability as "the ability to manage money well – both day-to-day and through significant life events…" and that "being financially capable means you have the resilience to handle times when life is financially difficult – like when you lose your job unexpectedly or you can't work due to illness".

It also goes onto point out that "financial capability is more than this. It's also an attitude, that is more than just living for today – it's having the confidence to put your money skills into practice, and understanding the value of doing so."

It lists 4 main skills that make up financial capability:

- Managing money well day-to-day
- Planning and saving for the future
- Preparing for the future and unexpected events
- Using credit well but avoiding unmanageable debt.

It also states someone who is financially capable is –

- Sees the value in actively managing their money
- Knows how to make sound money decisions and act on them
- Has confidence in their own ability to make decisions about money.

Toynbee Hall's own financial capability project, Community Money Mentors has demonstrable evidence of;

- Twice as many participants saving money from the start of the programme (45% to 90%)
- over half saving money by changing payment method, tariff or supplier
- increase in those budgeting weekly from 28% to 90%
- Increase in confidence about ability to manage their finances (41% to 97%)[1]

But despite these positive outcomes it has still been difficult to link engagement with the financial learning project and our debt advice service. While some have moved from the financial capability project in to debt advice as debt problems were identified over the course very few moved in the opposite direction.

This project hopes to build on existing evidence by examining whether this disconnect could be overcome and comparable success achieved with debt advice clients, addressing evidence of difficulty engaging debt advice clients in wider financial capability beyond their specific short-term issue.

This pilot will also allow us to build on our evidence base on what methods can effectively integrate financial capability into debt advice. Analysis from previous pilots that has concluded that:

- debt advisors themselves cannot effectively deliver financial capability support due to different skills needed to deliver this effectively and lack of time and capacity within the current framework
- clients that are referred to voluntarily attend a separate service for additional support are unlikely to return as they feel that their immediate issues have been dealt with, resulting in the user failing to gain the knowledge, confidence and skills that may help shield them from further debt and hardship
- the transactional nature of debt advice makes maintaining engagement beyond the initial appointment difficult and clients can become reliant on the debt adviser to take action to overcome debt issues.

The project has been designed to trial a new method avoiding previously evidenced issues and evaluating the long-term implications of this work.

The "Financial Capability and Debt Advice" report[2] commissioned by the Money Advice Service states, *there is currently little robust evidence available on the specific impact of integrated debt advice and financial capability support; this is not surprising as any evaluations were designed to collect measures relevant to each programme, and not to answer our broader question: "what is the impact of offering integrated advice compared to offering debt advice alone?"*

[1] Community Money Mentors Evaluation Report, Salford University (2019)
[2] Financial capability and Debt Advice, Money Advice Service, IFF Research Ltd (2018)
* The Money and Pensions Service have since replaced this with the UK Financial Wellbeing strategy in 2020

Methodology & Measures

This is the final updated evaluation report following an interim report drafted 3 months after the project ended which includes additional data collected 12 months after the pilot delivery ended to provide further evidence and learning on longer-term outcomes.

The study uses both quantitative and qualitative data collected through surveys and interviews.

Pre, Post-intervention and 12-month follow-up surveys are based on 52, 31 and 26 respondents respectively. This survey data is supplemented by 8 semi-structured interviews (all 8 users also completed both surveys) performed after 3 months and 5 interviews performed at 12 months. There are also 2 interviews of the Money Coaches who delivered the project.

The survey was also completed by 17 participants at 6 months to collect further data, maintain engagement. It took a lot of time and capacity to even achieve this number of surveys with participants seemingly suffering from survey fatigue. It was therefore used to test relevance / benefit of some of the data being collected to overcome this issue for the final survey collection. Following this stage, which saw a decrease in respondents, it was agreed between the Money and Pensions Service and Toynbee Hall that the survey should be reduced from 22 questions to 15 to focus on areas we were seeing any identifiable change. This did not impact on the overall outcomes being measured but reduced some of the indicators. There is more detail provided on this in the process section.

The evaluation seeks to measure whether the desired outcomes as set out in the project plan were achieved. These are –

Theory of Change Outcome	Key Indicator(s)
Participants demonstrate improved knowledge and skills to deal with debts, manage repayments and mitigate the poverty premium.	Participants can more successfully use products and tools for planning ahead and making provisions
	Participants can successfully use sources of information / guidance Fewer clients returning with new debts or defaults on debt repayments than control group.
	Improved ability to maintain debt agreed repayments compared to control group / following intervention
	Income / expenditure ratio reduced. Savings increased.
Participants demonstrate improved confidence and motivation to reduce need for repeat advice and support	Participants report feeling confident to negotiate repayments, build financial statements, complete pro rata / token offer letters.

Participants know where they can get advice and support to help guard against financial difficulties and plan ahead for financial shocks.	Participant demonstrate improved ability to impact their own financial situation and what they can do where the problems are systemic.
	Participants report having a better behaviour through use of advice providers, guidance and tools available and their financial situation in general.
Participants make positive changes in their behaviour to guarding against the poverty premium and financial difficulties	Reduced frequency of further debt and arrears.
	Participants report feeling more financially secure and in control of their finances 3, 6 and 12 months after the sessions.
	Participants can demonstrate improved behaviour in planning ahead for key life events and overcome some of possible the factors or triggers
	Report outlining issues and evidence based recommendations for relevant audiences.

The sections of this report will cover the response to the survey questions designed to collect the data required to meet the key indicators.

The evaluation team also had access to case notes to better understand the interventions and review what can often be complex financial situations.

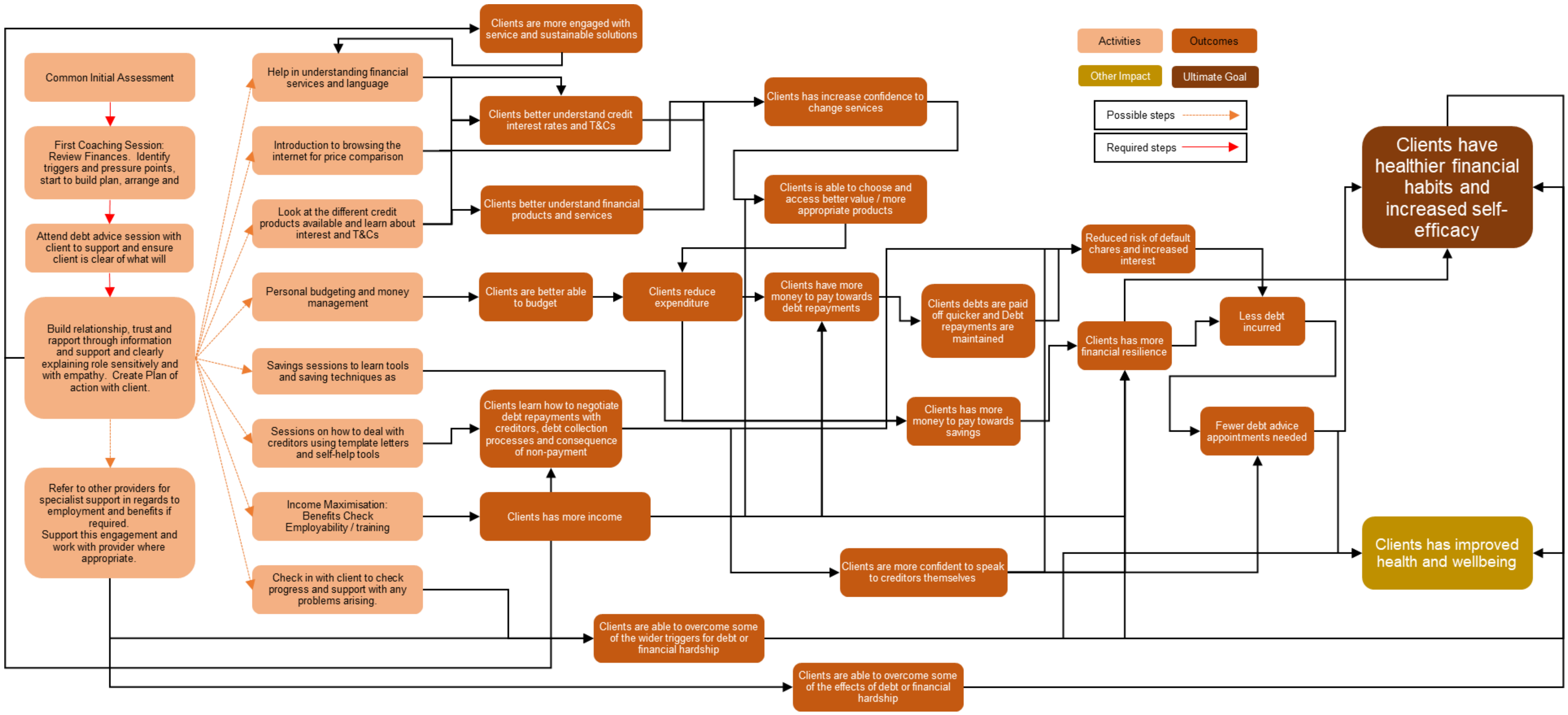
Where Likert scales have been used (5-point unless otherwise stated) the higher the score the more positive the outcome based on the desired outcomes of the project.

The evaluation was undertaken by Toynbee Hall's internal Evaluation team. While this affects the independency of the evaluation, this is mitigated by fact that the project is a temporary learning pilot with no expectation of continuation funding and Toynbee Hall's history of commitment to understanding and improving both debt and financial learning.

Participants were selected for the Money Coaches pilot as they entered the existing debt advice service. The only criterion was that they had approached the debt advice service and were to receive in-house face to face debt advice. All pilot participants were invited to take part in the evaluation.

Paired t-tests were used to test the statistical significance of the changes in scores. The sample sizes of the surveys were relatively low and which will impact on the significance test and therefore those outcome scores that were outside the 99% (p-value >0.01) or 95% (p-value >0.05) confidence intervals should be used as a guide rather than as robust quantitative evidence. The evaluation supplemented the quantitative data with qualitative interviews but with the number of indicators and variables this wasn't possible to explore every indicator in detail. It is also the case that in the absence of a control group any changes in the quantitative data, statistically significant or not, cannot be solely put down to the coaching pilot and may have occurred as part of the accessing the traditional debt advice service or indeed any other alternate variable but the significance testing helps us determine that the change was not simply due to chance. For practical reasons we have test only the pre survey scores and the 3 month scores and used the 12 month score to demonstrate whether this was maintained.

Theory of Change



Participant Demographics

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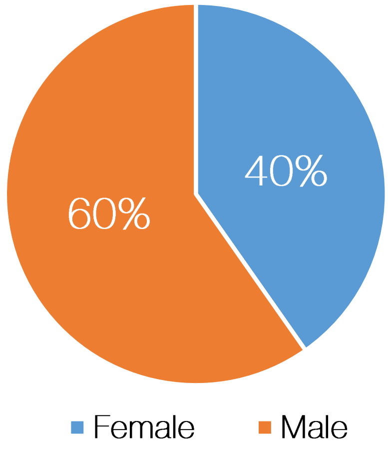
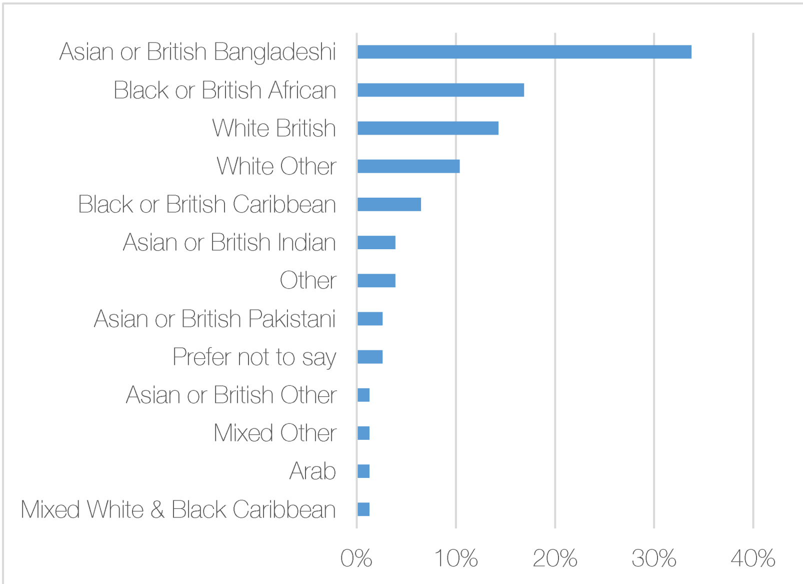
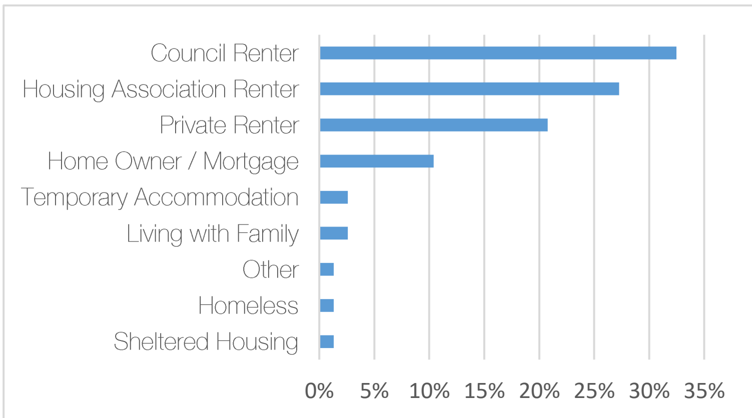
Money Coaching Participants



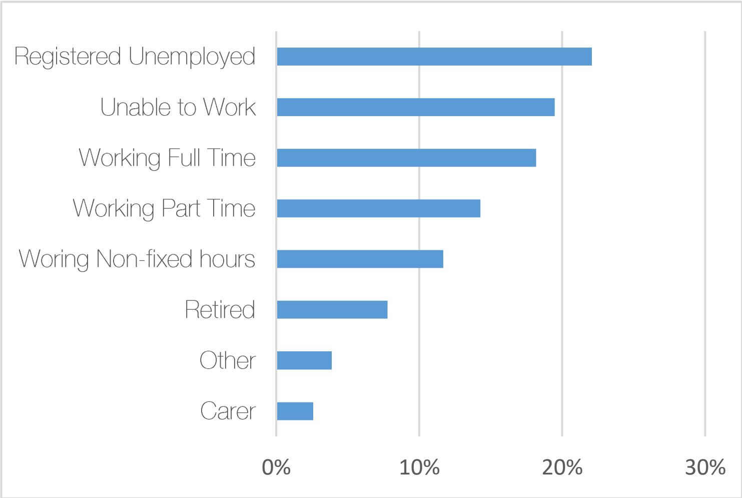
Ethnicity	
Asian or British Bangladeshi	34%
Black or British African	17%
White British	14%
White Other	10%
Black or British Caribbean	6%
Other	4%
Asian or British Indian	4%
Prefer not to say	3%
Asian or British Pakistani	3%
Mixed White & Black Caribbean	1%
Arab	1%
Mixed Other	1%
Asian or British Other	1%



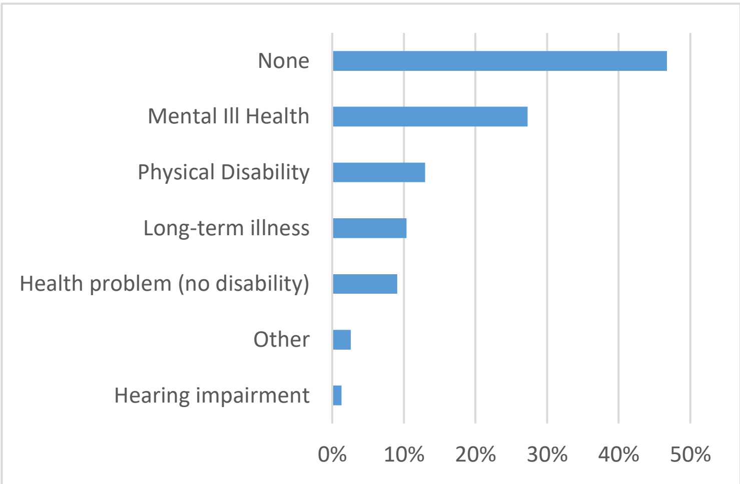
Housing Tenure	
Council Renter	32%
Housing Association Renter	27%
Private Renter	21%
Home Owner / Mortgage	10%
Living with Family	3%
Temporary Accommodation	3%
Sheltered Housing	1%
Homeless	1%
Other	1%



Employment Status	
Registered Unemployed	22%
Unable to Work	19%
Working Full Time (over 30 hours)	18%
Working Part Time	14%
Working Non-fixed hours	12%
Retired	8%
Other	4%
Carer	3%



Health	
None	47%
Mental Ill Health	27%
Physical Disability	13%
Long-term illness	10%
Health problem (no disability)	9%
Other	3%
Hearing impairment	1%



Case Study - George's Story

George told that despite always working, irregular hours and late wage payments meant he had accrued rent and council tax arrears.

"Cos I was working for an agency and 7 times out of ten I wasn't getting paid when I was supposed to be paid even when I got work."

When appearing at court on his own they had decided to deduct the arrears directly from his wages. The amount was so much he was unable to afford to live on what was left. Occasionally he wouldn't get paid on time, which would mean the deductions increased in the following weeks. This started a spiral of debt that not only worsened his financial situation but had a massive impact on his mental health and wellbeing – which in turn exacerbated the issue as he would disengage with the problem and, in the end became unable to work at all.

"The last job I had I had to stop it cos the Council Tax were intercepting the money before I even got it. They were taking so much out of my wages each week it got to a point where I'd have nothing left. They were taking £58 per week! Then I get behind on my rent so I went to court and I made an arrangement with them for an addition £10 that I couldn't afford and then the following Friday my workplace didn't give me no work and I had a bit of a mental breakdown and smashed up my house and they wanted to section me and pay more… all because I felt trapped. I've always worked, since I was 16, I come from a troubled family… the percentages were I was gonna be a drug dealer or I'm gonna be dead, or in prison. That's what everyone said to… so I've always worked but then I got to a situation where I can't get enough work… I want to go to work… but even if I can get hours I can't always face it. I can't find a job that is proper [contract]".

George was unaware he could request to vary the order and tried to reduce the deduction with his employer who told him there was nothing he could do. After receiving another eviction notice due to further arears he contacted Toynbee Hall and was passed to the Money Coaching service while accessing debt advice. The Money Coach tried to find someone to support him with the eviction but due to the short notice was unable to and therefore attended court with the client. With the coach's support the eviction was prevented and they were able to negotiate repayments that were more affordable. This not only helped George practically but also help with his mental health which had suffered during this time.

"I got issued with an eviction notice and had to go to court and I suffer from depression and I go through these phases where I don't want to speak to anyone and I just want to be on my own… and then I let things build-up.. in the end… the day before I was going to court I phoned [the Money Coach] and they just came to court with me… and it was a big help… he helped and supported me with everything I was going through"

Once this immediate crisis was resolved the Money Coach helped George apply for and receive Universal Credit which helped him maintain payments while he sought work.

George felt while the debt advice helped it wouldn't have changed his overall situation alone and that the support of the money coach had a much bigger impact on getting him to a more manageable place.

"The best thing that I've had from my experience with you guys was the support from [the Money Coach] … the debt advisor was ok, but [the coach] was the one that really helped."

George is now trying to get back in to regular work and the Money Coach identified training and work experience opportunities to help with skills building both at Toynbee Hall and through our networks.

While George remains in a precarious situation this support has at least prevented further hardship. The coach continued to provide practical and emotional support which the client suggests had kept him out of jail stating this was where he felt he was heading if he couldn't get out of the situation he found himself in.

"When they was deducting it from my wages… I found myself in a position where I was having to bunk the trains and break the law just to get to work… I got to a point where I was thinking what is the point? I might as well be doing what the on the streets."

George feels much less worried about his situation and is grateful to the coach for helping him. He has attended training and done some volunteering but is still finding it difficult to find regular permanent work. He is reluctant to take too much non-fixed hours work as he fears this will affect his Universal Credit and the uncertainty could again make a precarious situation worse, which will in turn negatively impact his mental health again. He knows there is still more to do so that he no longer has to worry at all but feels that without the support it could have been much worse.

"They have be texting me, threatening me again… I still feel a bit like I'm in a bottomless pit but at least I'm not on the streets… I feel blessed for that."

George's story is an example of how despite working even a small shock like mental health issues or delayed income can be exacerbated by systems and processes which create a difficult environment for people, rather than assisting the person to resolve the issue. This spiral of financial hardship which can largely feel out of their control becomes very difficult to get out of even with support.

Outcomes

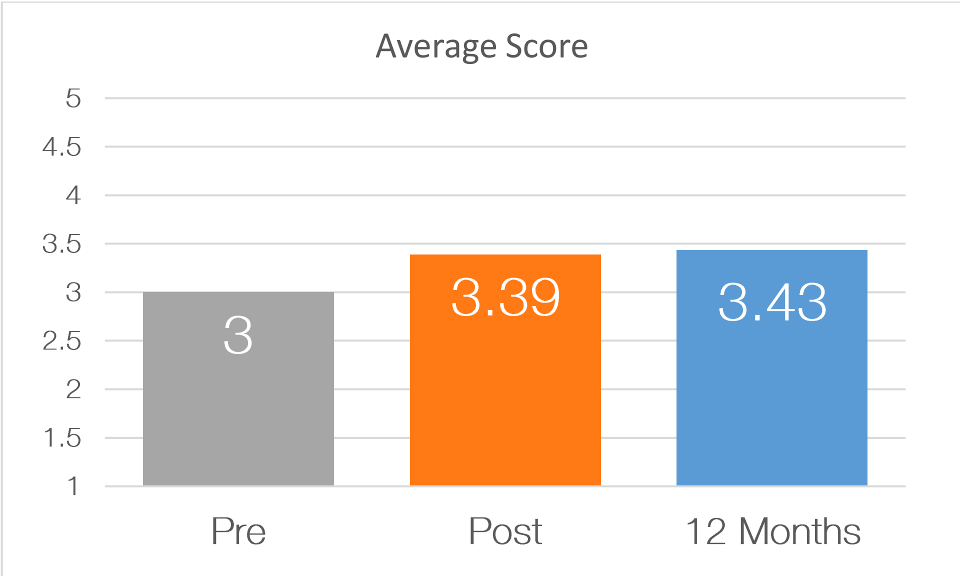
Confidence dealing with creditors

As the Financial Strategy for the UK points out, financial capability is not simply about having the knowledge to take action but also the confidence to do so.

Participants were asked - *How confident are you speaking with your creditors about your debts?* A 5-point ranging Likert scale was used as the operational definition to measure 'confidence', with 5 being very confident and 1 being not at all confident. P-Value 0.00408

	Pre	Post	12 Months
Average Score	3.00	3.39	3.43

P-Value 0.00408



As an overall average the score increased from 3 to 3.39 between the pre and the post project surveys with a p-value of 0.00408 demonstrating a significant increase in the participant's confidence to deal with their creditors after accessing the project.

One interviewee who had gone from reporting a score of 2 to 4 commented that having been told how to make an offer and seeing it be accepted had made her feel more willing to try herself, although she still felt she would need help. There were other examples though of those whose scores had not changed between the surveys. This was the case for two of those interviewed and both cited language issues as their main concern. Language was again the main issue for the only participant interviewed whose scores had reduced.

Another interviewee, whose score had not changed told us they had tried to speak to the creditors but would struggle to get hold of anyone and when she did they would not accept any offers made and only demand amounts she did not have.

The increased confidence score has been maintained 12 months later at 3.43 suggesting a lasting impact although one interviewee who provided the same score at the post survey and 12-month follow-up said that they hadn't had to deal with the creditors themselves since and although they are less worried about speaking to them they would probably still come back for help should they need to negotiate repayments.

"I have been paying, I haven't needed to speak to them [the creditor] again… I would [speak to them] if I had too as it's not so scary now but I would come back if they wanted more money."

Another did tell us they had contacted them themselves to increase the payment slightly as their financial situation had improved without having to seek specialist advice – they were not sure if they would have been so confident if they were asking to reduce the payments. The same interviewee did mention they had been unable to pay one month and contacted the creditor to tell them they would pay the amount with the following month's payment.

"I did offer more, which I now pay… it is easier when you have the money… "

"One time I couldn't [pay] but I told them and this was ok… I paid it the next month"

Another interviewee whose score did not increase for this question told us they didn't mind talking to creditors when they missed a payment but would not negotiate a repayment plan without the debt adviser. They had in fact incurred another debt in the last 12 months and had returned to the debt advice service to negotiate repayment. When asked why they had returned they stated *"they listen to you"*. When asked if they didn't listen to them they responded *"no they just wanted the lot, which I didn't have".*

So while the score remaining high could be put down to sustaining the original plans put forward the less pressurised situation or later stage debt collection there is also evidence that this confidence can help resolve an issue through early, direct communication with creditors. This early resolution is beneficial to both parties as the debtor avoids additional charges and threats of action and they creditor is able to understand and continue to reclaim the debt. Both interviewees said the repayment plans were still being paid.

It is the case that many of the participants had previously made repayment arrangements with their creditors in the past but had often agreed something that wasn't really affordable on their current budget, evidence of which is provided in the 'Repayment Plans' section. This suggests that confidence is not always the issue but willingness by creditors to accept the debtors' offer. It was mentioned on 3 separate occasions that they felt that the threat of further action or charges were the reason an unaffordable repayment amount was agreed. Creditors seemed less willing to accept a more affordable repayment offer from the client than a debt adviser, although the reason for this is not clear. This could be put down to awareness of how to best get an offer accepted such as using template letters and financial statements to demonstrate what was affordable. Case notes do show this was a common area of support provided by the coaches but usually as explanation of what the debt advisor was doing rather than having the participant complete the task themselves. We spoke to one of the coaches about this and, while unable to speak about a specific case, they felt it was likely due to limited time they had with the client due to the 4 month pilot period meant the coaches were often dealing with the client at a point of crisis and therefore less willing to try things out that could be less effective.

The fact that participants seemed more confident to talk to the creditor about existing repayment plans but still not confident in agreeing could also be due to clients unsuccessfully trying to deal with them themselves, and then seeing it be resolved by the debt advisor making them less willing to try themselves again. This does then suggest that the increase in confidence is at least partly due to the level of negotiation they are able to do. Further evidence for this is provided in the question about repayment plans.

Repayment Plans

The table shows the percentage of each user that had agreed a repayment plan before and after accessing the money coaching project as well as 12 months later.

	Pre	Post	12 Months
Yes, I agreed it with the creditor/s myself	39%	23%	26%
Yes, with the debt adviser	14%	29%	43%
No	47%	48%	30%

The increase in those arranging a repayment plan with a debt adviser following accessing the service may not be that surprising given that those accessing the coaching project were also accessing the debt advice service and this is the most common action by the adviser.

12 months later the number who have agreed a repayment plan with creditors themselves is similar to the post survey at 26% and 23% respectively. The increase in repayment plans made is almost entirely plans done with a debt adviser. As mentioned in the previous section, an increase in confidence to speak to creditors does not necessarily mean an increase in arranging your own repayment plans. The difficulty of arranging an affordable repayment plan themselves in the past, the engagement with a debt service and the success of the debt adviser to do so are all understandable factors, as mentioned in the interviews.

Barriers to participants completing a repayment plan

Speaking to debt advisers about this provided some further insight. They mentioned the financial statements, which outline income and expenditure as a reason. *"Creditors will not accept figures above a certain amount whether that's how much it is or not… [as a debt adviser] we know the figures for each expense that will be accepted, so we go through it with them".*

What was unexpected is the number that responded 'no' to having made a repayment plan in the post survey despite having accessed both debt advice and capability coaching. There were a few clues provided in the interviews on why this might be. One interviewee felt they were not liable for the debt and wanted to seek legal advice before committing to repayment. In this instance the coach referred them to a free legal service at Queen Mary College and encouraged her to return should she be advised she was liable.

One interviewee said they had been advised to but had not got round to it and a third said they were unable to follow-up with the debt adviser since the coaching had ended so was pursuing debt advice with a different telephone debt advice provider.

Implications for the role of Money Coaches

This suggests that the length of engagement with the coaches and the follow-up time was not sufficient enough to see an impact in every case. It also demonstrates how long it can take for even the start of a debt solution to have any result.

This is somewhat supported by the reduction in this number to 30% in 12 months, although this still remains a little higher than expected. It is unclear through the debt advice service the numbers that are not liable, and to what extent this could account for this figure as this is usually dealt with by a different area of advice (often contract or consumer advice) and can often be outside the expertise or capacity of the debt service with engagement is often lost after referral.

During the pilot period there was a case of the Money Coach working with the debt adviser, the creditor and other agencies to dispute liability due to miscalculated benefit entitlement. Both the coach and the participant stated this outcome would have been much less likely if it was not for the additional capacity and support provided by the coach. This additional support and capacity can not only improve outcomes by helping bridge gaps between the different agencies rather than leaving the participant to report back to each.

What is possibly most surprising is that 39% had made a repayment plan with their creditors themselves at some stage in the past but were still in need of further support and advice for their debts.

Participants were also asked whether they had maintained the repayment plan -

	Pre	Post	12 Months
Yes, until the debt was paid / I'm still paying it	20%	59%	38%
Yes, but I am struggling to keep up / have fallen behind	40%	10%	41%
No, I stopped being able to afford	20%	0%	8%
No, I could never afford it	20%	30%	19%

80% of those that had previously made repayment plans (of which the large majority had done so themselves) had already failed to maintain it or were struggling to keep up / falling behind, with 20% saying they knew they could never afford it. Only 20% were either keeping up with it or had paid it off. What isn't clear from the data is why these 20% were now seeking debt advice and support despite successfully negotiating with their creditors themselves in the past. There were examples of people who sought debt advice merely to assess liability rather that get support with repayment, which debt advice services are often not able to fully determine but further analysis and data would be required to determine if disputing the debt was the explanation for this.

57% were keeping up with repayment plans or had paid off their debts three month later – although this should be tempered by the fact that some have only been in place for those few months. It is also interesting that despite the debt advisers negotiating repayment plans based on income and expenditure that 29% stated they could never afford it. There was evidence in the 'Saving' section of the original survey where 78% responded that they either agreed or strongly agreed that they were unable to save as their essential living expenses are equal to / more than their income. It is fair to assume that if this is the case that the additional cost of the repayment plan would also be unaffordable at any amount.

Two interviewees mentioned court orders to pay that they couldn't afford. Both not only felt they had to offer more through fear of further repercussions, but neither were aware they could request this to be varied later on.

After 12 months this number did reduce to 38% though still remains higher than before accessing the service so there is an increase even 12 months later in the repayments being kept up. There is no strong evidence to attribute this to any particular activity. While there is evidence debt advisers are more able to negotiate lower payments we can see the participants still do not feel these are always affordable as this particular figure has not reduced 12 months later.

There are though some very good examples (given as a case studies, *Sarah's story* later in this report *and George's story at the beginning*) of work done by the coaches with the participants which directly helped them to maintain repayment. One example where the coach had not only provided support to identify miscalculations in housing benefits payments, which severely reduced the amount required to be repaid but also helped them record her new lower repayments to help keep to it and plan ahead. In the other example the coaches support directly prevented eviction and helped renegotiate repayments and even resulted in attendance to training courses to help improve employability – where losing work and not being paid on time was the primary cause of the debt. The pilot length meant this intense work was not possible with every client and sometime not appropriate for the stage the client was at in the process.

Sought debt advice (before and again after accessing project)

	Pre	Post	12 Months	Change
Yes	56%	32%	42%	-24%
Yes, for the same issue		19%	16%	
Yes, for a new debt issue		13%	26%	
No	44%	68%	58%	+24%

Given this first stage of the evaluation took place three months after delivery these figures can be a little misleading and do not really tell us much about the desired outcome of reducing the number of returning clients as in many cases the debt advice process was still ongoing. This would to some extent effect both returning figures, as they seek updates or the cases progress and non-returning as they await responses.

19% of clients surveyed returned for the same issue (60% of those that returned). This was the case for three of the clients who were interviewed. Two stated they continued to receive contact chasing the debt even after they had seen the debt adviser and holding letters had been sent. These were usually automatic system generated letters. It would be helpful if creditors could ensure they update the systems promptly and turn off any automatic correspondence in reference to the debt to avoid confusion, although cross-over in the post had also a been cause. There were also few examples of creditors saying they had no record of any correspondence.

The other interviewee who had returned for the same issue said they had done so because they hadn't heard from the debt adviser and were unable to get hold of anyone on the phone. While in this case the coach had informed the debt adviser and connected the client and adviser the client had sought out alternative support from a telephone debt advice provider.

Although the three month post-survey was too early to fully understand returning client figures it was still the case that 13% (40% of those returning) had returned about a new issue, either incurring a new debt or with an issue previously unidentified that had escalated to the point debt advice was required. This happening so shortly after receiving money coaching and debt advice needed further exploration, particularly as any debts or arrears should have been identified during the money coaching session.

Only one of the participants interviewed had at that point returned with a new issue. They explained it was because of a secondary effect of the first debt. The client had been supported to overcome rent arrears due to receiving support in challenging a miscalculated housing benefit payment. The client thought the housing department at the council would inform the Council Tax office but this was not the case and so Council Tax arrears mounted and the client had to return for further help. This highlights a system flaw where two departments have failed to communicate despite both being part of the same organisation. Council Tax, rent arrears and benefit overpayments 3 of the most common debts and often, albeit not always, be within one organisation.

While this does not provide an explanation for every person returning it does demonstrate that debt problems are not isolated and form part of a wider financial state. Even when dealing with a crisis debt other financial issues remain and focussing on the most pressing issue can mean not noticing other areas slipping, although in this example better internal communication between council departments would have possibly prevented the need for the client to return.

Both of the interviewed coaches explained that they felt timescale was limiting. They felt despite the debt adviser sending holding letters and even making repayment offers, which can take time to be agreed, the client can remain in 'crisis mode' long after, especially if the creditors continue to send correspondence. While you would hope the coaches could identify issues quickly to help provide pre-emptive support it is the case that people's finances fluctuate over the year and what may have not been an issue at the point of engagement can quickly become a problem. The coaches also mentioned the difficulty and time required to follow-up and convince the clients to engage The short period of time the pilot ran meant opportunities to demonstrate benefits of the service and become relational did not come up enough to build trust.

Planning and Budgeting

To determine the impact made on how participants felt about their ability to manage their finances and plan ahead to build financial resilience a series of questions were asked.

Planning ahead

To start to look at how the participants managed their money in more detail we asked about whether and how they plan ahead.

Do you plan ahead for large and expected costs (e.g. birthdays, Christmas, weddings etc.) to make sure you have the money to pay for these expenses?

	Pre	Post	12 Month
Yes, I do plan ahead for these expenses	44%	32%	43%
Sometimes	4%	13%	52%
No, I don't plan ahead for these expenses	29%	35%	0%
No need to plan ahead because there's always enough money in current account to play for these expenses	2%	13%	5%
Don't know	21%	6%	0%

At the 3 month post survey these figures are somewhat unexpected with those answering 'Yes' to this question reducing and those answering 'No' increasing. Looking at the changes in those who completed both surveys two out of the 24 (8.3%) had gone from 'yes' to 'no'. Unfortunately, neither of these took part in the interviews to understand this change. One explanation could be that a better understanding of the consequences of not paying off debt changed their priorities. The fact that all four who had answered don't know in the pre-survey changed to 'No' could be a clue to this but we cannot confirm this from the data collected.

There were examples of people moving in a positive direction but the highest proportion (41.7%) saw no change at all. It is also worth noting that 2% of the total pre surveys answered *'No need to plan ahead because there's always enough in my account to pay these expenses'* in the pre-survey yet 13% responded with this answer in the post-survey. On the face of it this could be interpreted as a positive but given the short time between intervention and the follow-up survey this dramatic change in financial circumstance seems unlikely.

Monthly Budget

The question was asked - *Do you set yourself a weekly or monthly budget?*

	Pre	Post	12 Months
Yes	84%	74%	78%
No	16%	26%	22%

p-value = 0.04154

These results are again the opposite of the desired change albeit that the vast majority did and still set a monthly budget. With a p-value of 0.04154 this is significant to the <0.05 threshold so doesn't appear to be by chance but it is difficult to explain why, following money coaching sessions in which almost all went over at least income and expenditure, people would be less likely to set a budget. This understanding of income and regular spending is also usually part of the debt advice session as they create a financial statement to provide to creditors when making repayment offers (although this is not necessarily an accurate representation as discussed later). Looking at the figures of those who completed both surveys there was no change (it remained at 75% yes / 25% no both before and after) although two individuals had moved from no to yes the same number had gone in the opposite direction. We were unfortunately unable to speak to either of the people who stopped creating a budget after the sessions to find out why.

One interviewee who had said 'no' both before and after explained, *"there is no point I don't have enough and the [the creditors] want too much"*. This suggests again that the client had not had sufficient time to get out of the crisis and while the debt problem was ongoing it was difficult to focus on the bigger picture. The sense of helplessness to get out of debt that seemed impossible to pay off made activities such as budget planning seem pointless. When asked why they hadn't started to plan a budget another interviewee said that they simply couldn't face it. *"I am on medication for anxiety and depression and I don't want to do it today, may be tomorrow… I have a friend who I am helping with their studies, perhaps we will do it tomorrow."* This again demonstrates the time it takes to move out of the debt crisis even after receiving advice and support, particularly if there are other factors such as ill health. This is longer than envisaged during the pilot planning and reaffirms the recommendation of the intervention being spread over a longer period. There is a risk though that coaching sessions spread too thin would have an impact on continued engagement by the client, which has been an issue but with limited resources it is important to find a balance between keeping in-touch and having sufficient time to move past the problem debt to mitigate both these issues.

As both the relatively high score at baseline and the interviews demonstrate clients felt they were already good at budgeting and that this was not a major factor in their financial situation.

Three of those interviewed at this point said that they felt they were okay at managing their money but just didn't have enough money, especially when a financial shock occurs – one told us - *"I don't spend lots… I'm usually ok, but now they want more and more money but I haven't got it… we have had to not have food… I have had to ask the neighbour to borrow money cos I have to pay [rent arrears]"*.

A number of the interviewees demonstrated how they were already making the most of what money they had. They knew where to buy the cheapest essentials and how they could make them last but that their costs versus income meant they were unable to manage money longer term and that even a small financial shock could push them in to debt they would struggle to overcome.

Although lack of financial capability is not always the primary cause of debt or hardship there are examples of how little actions can help prevent further problems. One participant showed us the repayment plan dates they had listed out with the coach and how they had been ticking them off –

"I have the plan here I did with [Money Coach] he helped me a lot and got [rent arrears] reduced so I can pay now… I have done 2 months and I will keep paying… I promised [the Money Coach] I would and he told me what could happen if I don't… we could lose our home."

At the 12 month follow-up the score had recovered and slightly improved from the baseline survey. It was mentioned in interview that having the repayment plan in place helped to manage money as they were more aware of how much was required each month. Even one participant who had not been able to keep up with payments felt they managed the money they had well but simple didn't have enough no matter how well they managed it.

Another told us that they had found managing money difficult as work had first become irregular through a zero-hour contract and then had lost that work due to stress so was never sure how much they would have at the end of each month. They cited this as the main cause of their debt as the irregular work meant a repayment plan ordered by the court for council tax was based on what he could afford when receiving sufficient hours but when these reduced the payment was unaffordable. If he fell behind the payments would then mount up making them unaffordable even when they were getting more hours, which would cause mental ill-health and stress that they said resulted in them losing work altogether as not attending would mean fewer and fewer hours offered. This would start a spiral as they would not engage with the requests for payments. The coach had managed to sort out the benefits and arrange token repayments while they looked for work but even then the client was reluctant to take more non-fixed hour employment as it could again result in losing his benefits but not accepting this work could also result in the same meaning they felt trapped, which would affect their mental health. They did mention they had friends who made money illegally but that he wasn't like that but admitted it felt like the system was forcing him that way

"I've always worked, since I was 16, I come from a troubled family… the percentages were I was gonna be a drug dealer or I'm gonna be dead, or in prison…. When they was deducting it from my wages… I found myself in a position where I was having to bunk the trains and break the law just to get to work… I got to a point where I was thinking what is the point? I might as well be doing what the on the streets."

Those working irregular work hours has increased by 156% (Debt Free London service statistics 2015-19) within our debt service and this is an example of the combination of non-fixed hour contacts and how this can impact on universal credit creates real uncertainty and makes managing money very difficult resulting in financial difficulties and the pressure this can put on people's decision making.

These insights show that ability to managing money is not a major driver in their financial problems but often factors that are either out of their control or outside of their ability to deal with an issue without support.

We had previously asked whether clients kept to the budgets they set but decided to remove this during the six month review as we had seen little change after the coaching and the reasons for not keeping to it were too varied and often outside the control of the client or coach.

One interviewee did mention that they had been keeping up with the budget that included the repayment plan agreed since accessing the service and that writing it out with the coach helped her do so.

A coach did say they found going through the budget sheet a good tool to engage with the client *"… it actually a discussion point to work with the client with and a few, when they saw many of them told me they found it really useful as they didn't know how much they were spending…quite a few of them asked me to print it out for them and took it home."* It may be then the case that they are still using the budget sheets provided and therefore have not put together set themselves one since but this was not confirmed by any of the interviewees.

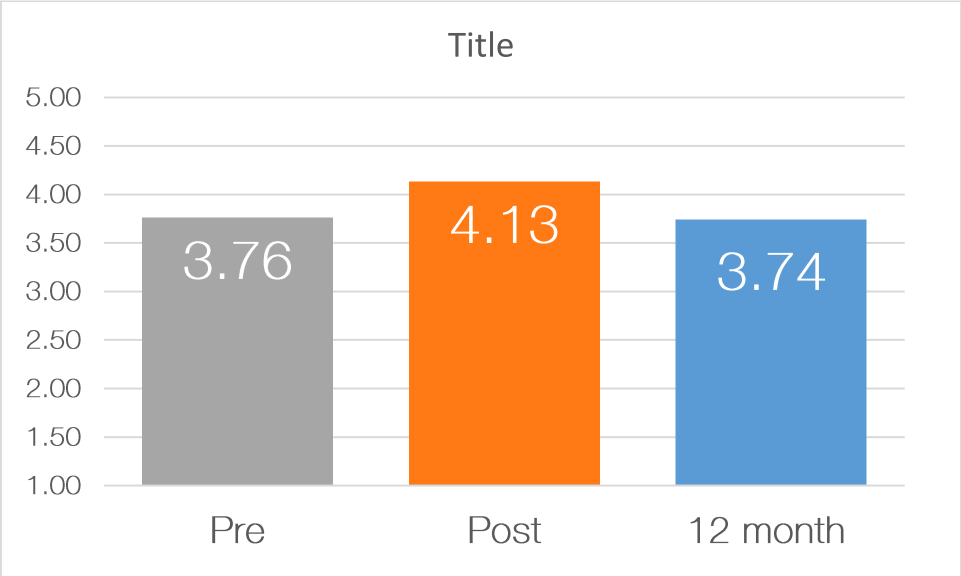
Keeping Record of Bills

Do you keep a record of when bills or payments are due?

	Pre Percentage	Post Percentage	12 Months Percentage
Always	26%	35%	22%
Most of the time	35%	45%	48%
Sometimes	29%	16%	17%
Rarely	10%	3%	4%
Never	0%	0%	9%

	Pre	Post	12 Months
Average Score	3.76	4.13	3.74

P-Value 0.02314



While already quite a high score the average score for keeping a record of when bills are due increased from 3.76 to 4.13 at 3 months.

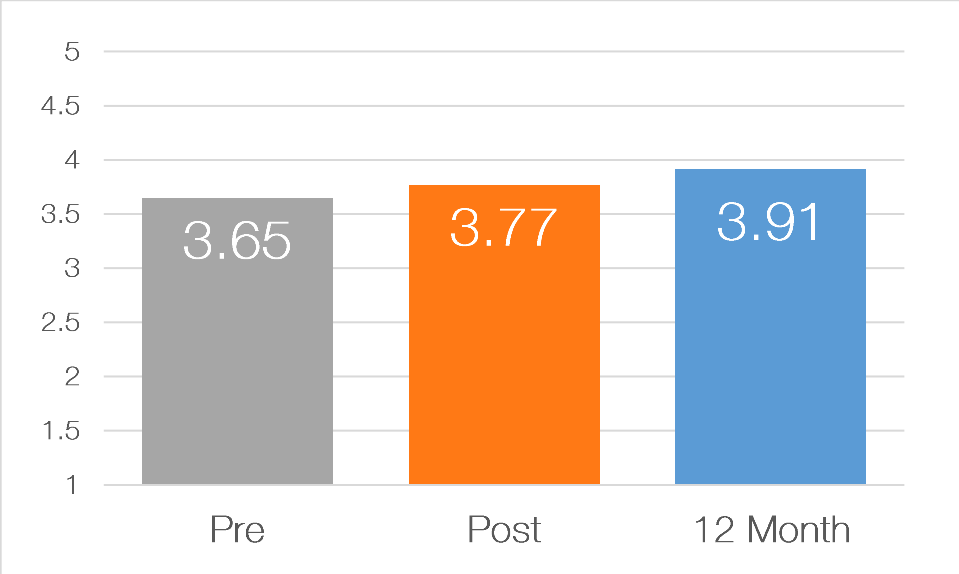
Most people do keep a record of when bills are due but this improved after participating in the service. Again this is shown to be significant with a p-value of 0.02314. The fact that the clients were accessing debt advice is again evidence that knowing when payments are due is one thing but being able to pay it another. After 12 months this had returned to the pre-project score. The scores were though more polarised with less answering around the middle and an increase in always or never.

It does suggest they were unable to gather much insight into this through the interviews as none of those interviewed provided a lower score.

Paying Bills On-time

	Pre	Post	12 Months
Average	3.65	3.77	4.11

P-Value 0.12736



Although keeping a record does not necessarily mean being able to pay bills the score was also quite high in the pre-survey with a small improvement after the coaching sessions, although this does not meet the significance testing threshold. This increased further still after 12 months. Again, most people, even in debt seem able to pay their bills on time. A couple of the interviewees again mentioned that their debt problem was due to a particular shock event – one being the death of her husband and the solicitor fees accrued trying to a challenge a probate application but said she otherwise managed her money well and had no issues up to then.

Another did point out that they usually pay the bills but have to go without other essentials or borrow to do so due to fear of the consequences of not paying. Therefore paying the bill is not always an indication of financial health. Coaches and debt advisers would discuss priority and non-priority debts and a coach explained that in certain situations paying particular bills on-time wasn't always preferable but that they should let the provider know rather than go without food.

The interviewee who had reported that non-fixed hours work was the main contributor to their debt situation and was now out of work said they now kept a record as they have less money making keeping a record more necessary. This is an example of increased record keeping possibly be an indicator of a worsening financial situation rather than improving.

Actions when run out of money

	Pre	Post	12 Months
Borrow money	41%	16%	21%
Cut back spending / do without	28%	32%	33%
Delay paying bills that are due	9%	16%	14%
Sell some of my belongings	5%	5%	7%
Depends on amount needed / varies too much to say	9%	7%	7%
Do overtime / earn extra money	3%	16%	12%
Draw money out of savings or transfer savings into current account	2%	5%	7%
Other	3%	5%	0%
Don't Know	3%	2%	0%

There were some possible positive behaviour changes on actions taken when the participants had run out of money. Borrowing money reduced dramatically as a solution to running out of money and although this had slightly increased at the 12 month follow-up the general behaviour had remained largely the same

Cutting back on spending / doing without increased slightly although understanding whether or not this is a positive change depends on what is being sacrificed. As has been previously mention interviewees had mentioned going without food. Going without non-essential items could be beneficial but going without basic needs such as food would obviously have worrying implications on health, particularly if this became a regular occurrence.

Doing overtime / earn extra money saw a strong increase. Given the coaches did explore income maximisation and looked to support people in finding way to help improve ability to earn this is a positive change, although two interviewees mentioned while they tried to increase hours irregular working patterns due to zero hours contracts (one cleaner and one care worker) meant this was not always easy and usually they did not know until a week before how much work they were going to receive. This also made planning and budgeting difficult.

There was an increase in delaying paying bills. This is at odds with the very slight increase in people reporting that they paid bills on-time but coaches did often explain that certain bills are a priority over others and with the increased confidence to speak to creditors this is generally a sensible way to manage running out of money rather than incurring debt elsewhere.

Confidence Calculating Interest Rate

How confident are you calculating interest on money borrowed?

	Pre	Post	12 Months	Change
Average	2.33	2.74	2.28	+0.42

P-Value = 0.00079

There was a significant increase in score at the 3 month stage (p-value + 0.00079) but unlike general confidence around money and dealing with creditors, confidence in calculating interest has returned to pre-project levels. This is a specific piece of knowledge that was fresh in the minds following the coaching but without ongoing coaching this is quite quickly lost.

The interviews suggested there seemed to be a good understanding of interest generally but a fear in calculating it. Only one could recall with any detail that the coach had sat with them working out how much they would pay in interest on certain credit product –

"We did do it [Calculate interest] with my credit card and, I think a loan and I didn't realise how much it was but I can't really remember how… I can do percentages, for an amount… but it's not that simple is it cos when you pay some off, or don't it changes, doesn't it?… that's when I get lost".

This again shows that a few coaching sessions over a short 4 month period is not sufficient to embed the learning.

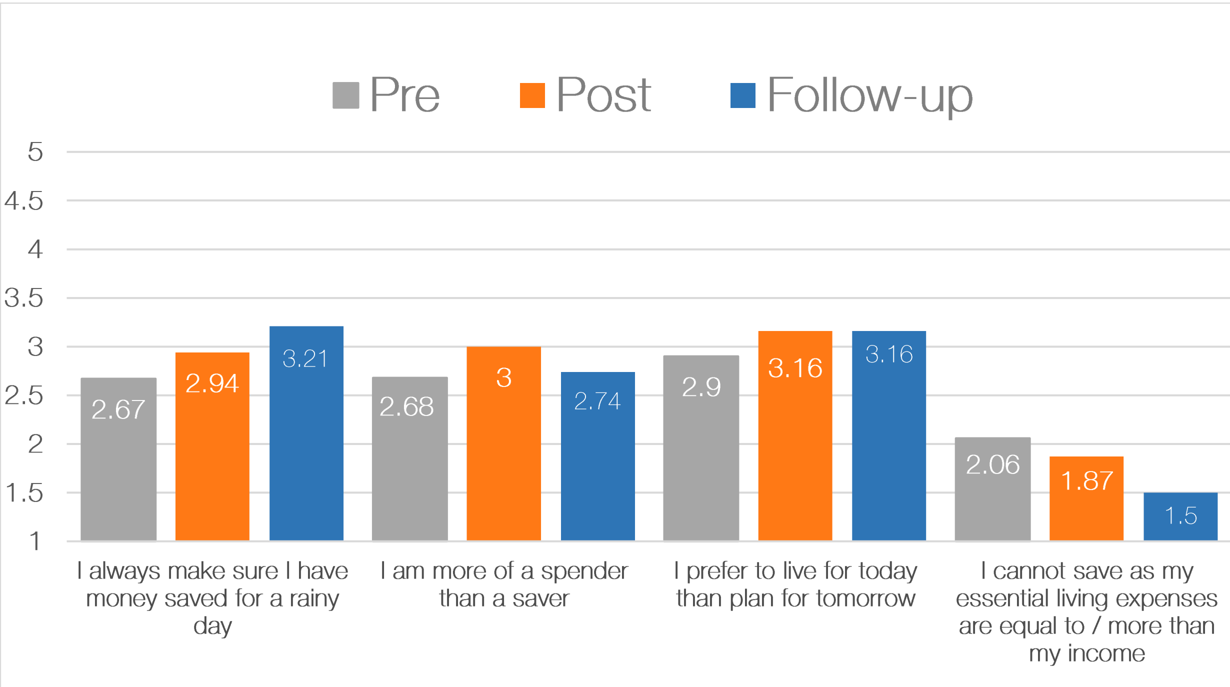
Saving

It became clear after the 3 month survey that 'saving' as an indicator was not appropriate for those with debt problems and as such was removed as a survey question. There was an increase in saving following the intervention although this still remained relatively low.

As people are still likely to be paying off debts even 12 months after accessing the service and therefore may not be in a position to save. It may also not to be advisable not to save and instead pay more towards debt repayments which could be more beneficial both financially and to the client's wellbeing as they get out of debt sooner. There was a slight increase at the 3 month stage but this is only beneficial so long as essential costs are being met in order to build a buffer against any future financial shock and so, especially if any advice or repayment plan has made finances more manageable following accessing the service.

We did continue to ask questions that included some general attitudes to saving, asking the participants to tell us to what extent they agreed or disagreed with 4 statements using a 5 point Likert scale from strongly agree to strongly disagree with 5 being whichever demonstrated a more positive saving outcome.

	Pre	Post	12 month	p-values
I always make sure I have money saved for a rainy day	2.67	2.94	3.21	0.07346
I am more of a spender than a saver	2.68	3.00	2.74	0.03346
I prefer to live for today than plan for tomorrow	2.90	2.97	3.16	0.08699
I cannot save as my essential living expenses are equal to / more than my income	2.06	1.87	1.5	0.04154

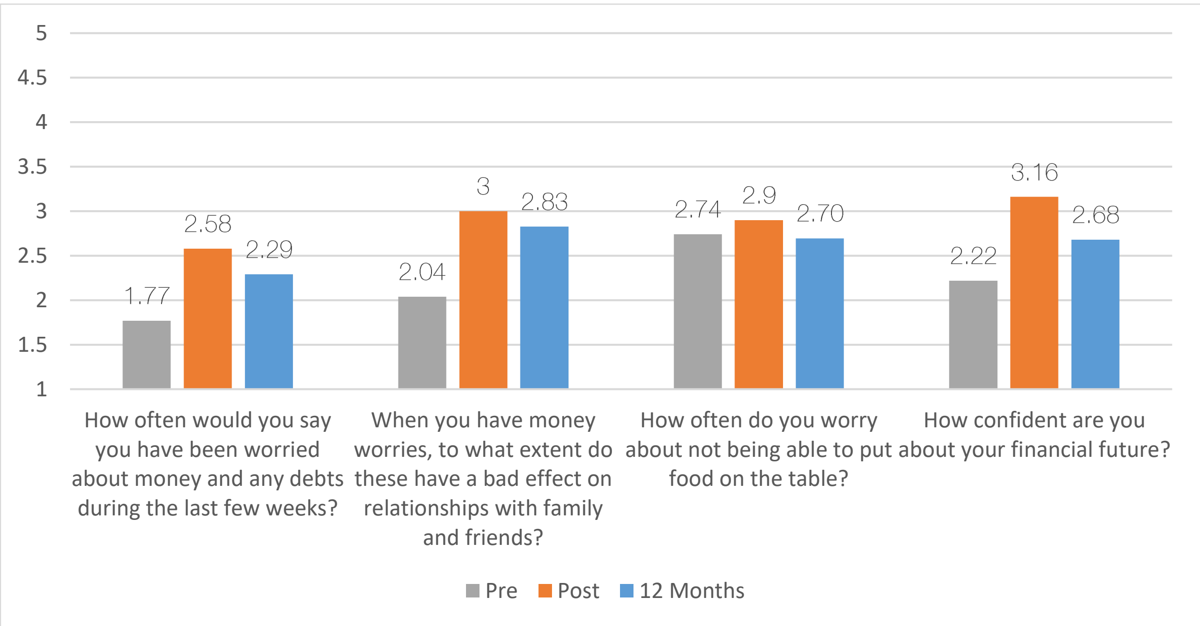


All of these statements saw an increase following the service with the exception of the final statement, although only *"I am more of a spender than a saver"* and *"I cannot save as my essential living expenses are equal to / more than my income"* were statically significant. People were more likely to agree that there is nothing left to save once they had paid essential living costs after accessing the service. Three people who were interviewed moved in this negative direction. One, who had initially said they neither agreed nor disagreed and later strongly agreed said they weren't sure why they said that before but always couldn't. The other two both mentioned that they could just about before but could no longer now they were paying the debt repayments – which could be one explanation for this decrease as they were not previously factoring in the debt repayments.

The score for the response to "*I always make sure I have money saved for a rainy day*" showed exactly the same change as the first saving question "*Do you save any of your money, for example, by putting something away for a holiday, or unexpected expenses?"* But had a higher average overall with the difference being the focus on saving for a 'rainy day' rather than including the example of holiday along with unexpected costs provides a further clue that most in this situation as still saving to get by rather than for non-essential costs.

Worrying about Finances

	Pre	Post	12 Months	p-value
How often would you say you have been worried about money and any debts during the last few weeks?	1.77	2.58	2.29	0.00002
When you have money worries, to what extent do these have a bad effect on relationships with family and friends?	2.04	3.00	2.83	<0.00001
How often do you worry about not being able to put food on the table?	2.74	2.90	2.81	0.1721
How confident are you about your financial future?	2.22	3.16	2.68	0.00005



All three questions about money worries have shown an improvement following engagement in the project, with the regularity and effect on relationships both improving drastically and both statistically significant even to the lower threshold of <0.01. With evidence of the impact financial worries have on mental health and in turn how poor mental health can impact a person's ability to deal with financial problems this is a very positive outcome *(www.mind.org.uk – Money and Mental Health).*

It also shows that the biggest impact was not around directly building financial skills and knowledge but providing general support, something the coaches confirmed.

"I did see quite a few people vulnerable… or what I would say were vulnerable…. People with mental health issues or health issues… people who need more support than there perhaps is out there at the moment… although it is sometimes awareness of what's available. For one person we got in touch with the council's financial inclusion officer, which I didn't even know about before, but apparently they are available for people who have rent arrears, there was a lot, but they didn't know or they weren't reading the letters… so we were able to make those links with them".

These scores for worry about finances did reduce slightly at the 12 month stage but still remained closer to the post survey levels than the baseline showing reduced worry was largely maintained.

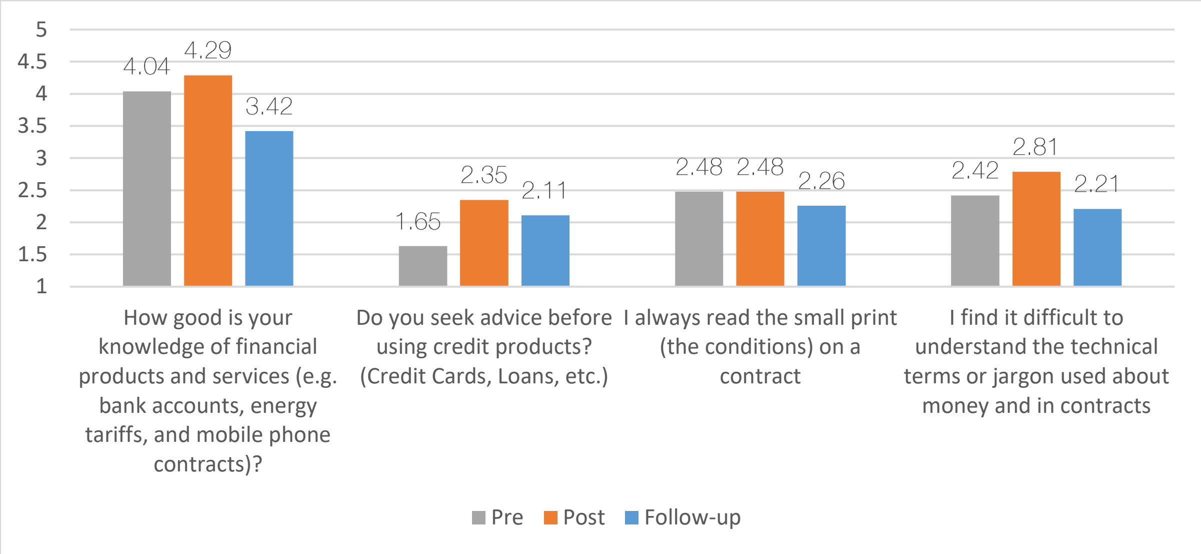
One area that stay relatively static was about putting food on the table which even though not statically significant is in slight contradiction to the other scores. These does possible point to the general theme around simply not always having enough to cover essential costs, while the others are related to getting out of the more imminent crisis.

Interviewees did indicate less burden and stress from the initial crises which were often more than just debt collection as demonstrated previously but that there were still some ongoing everyday stresses around generally having enough to get by.

Financial Products

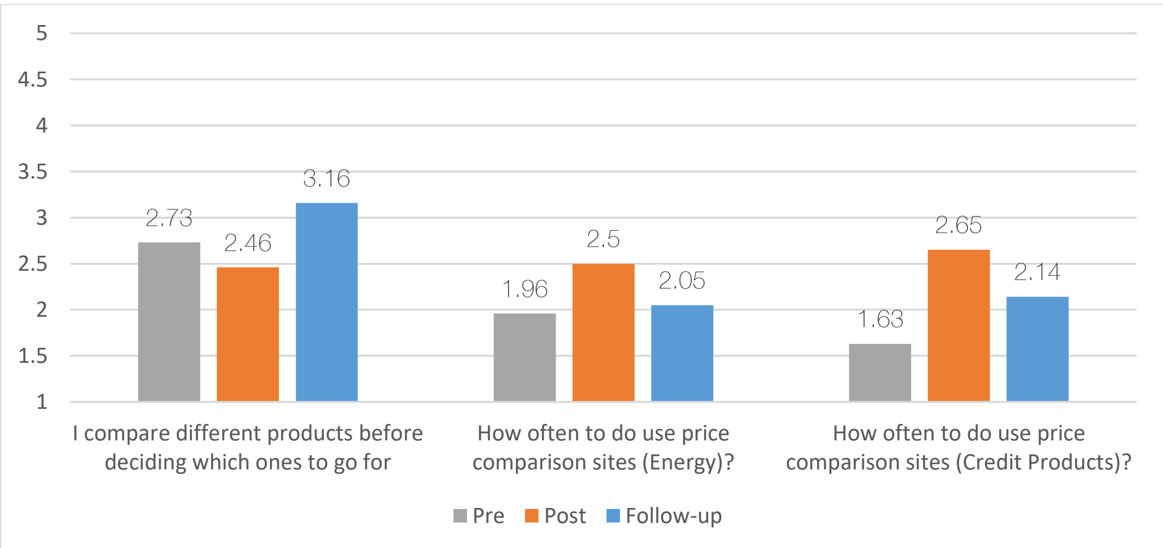
This section looks at client's knowledge and behaviour around financial products.

	Pre	Post	12 Month	p-value
How good is your knowledge of financial products and services (e.g. bank accounts, energy tariffs, and mobile phone contracts)?	4.04	4.29	3.42	0.02898
Do you seek advice before using credit products? (Credit Cards, Loans, etc.)	1.65	2.35	2.11	0.00033
I always read the small print (the conditions) on a contract	2.48	2.48	2.26	0.5
I find it difficult to understand the technical terms or jargon used about money and in contracts	2.42	2.81	2.21	0.03817



We saw increases in financial knowledge overall, only reading the small print remained static. There was a particularly sharp increase in seeking advice before using credit products which was significant to the lower threshold. What is interesting in how high the score is for reported knowledge of financial products and services, before and after the project, while the other indicators remain relatively low. This suggests that clients are aware of products available despite not fully understanding the detail such as terms and conditions and financial jargon and that despite this they do not often seek advice before using them. This would explain how some find themselves in debt as they can access products without being fully informed of the product or service they are purchasing. This shows the benefit and possible improvement on decision making that may lessen the risk of further debt. Given that the largest increase is in the numbers who now seek advice hopefully knowledge should continue to increase as long as this is maintained. While coaches were able to point clients to information and make them aware they were not qualified to recommend products or go in to much detail on advising about terms and conditions. Although we have seen evidence of a positive outcome, more expertise and training may improve these further.

	Pre	Post	12 Month	p-value
I compare different products before deciding which ones to go for	2.73	2.46	3.16	0.10566
How often to do use price comparison sites (Energy)?	1.96	2.50	2.05	0.00205
How often to do use price comparison sites (Credit Products)?	1.65	2.65	2.14	<0.00001



We saw positive score increases overall when comparing products between the pre and post surveys. It is interesting that the figure around comparing products before deciding which ones to go for saw a reduction while seeing increases in use of comparison sites, although the former was higher to begin with and the change is not statistically significant. The coaches were told to use the pre-survey responses to better understand the client's situation and help them decide where support was most required and the coaches reported doing this (although some found it more useful than others). This could explain why the lower scores to begin with have seen the sharp increases while the higher start figure have not as these specific topics became a focus of the coaching.

The sharpest increase at the end of the project was in the score in comparing credit products, which was nearly double the increase in score than energy products. We believe this came down to better awareness. One client mentioned to the coach they didn't use them but knew about the energy ones. They hadn't realised you could do it for credit products as well.

At the 12 month follow-up these figures went the other way with comparing products going up to a higher score than even pre-project scores and the specific energy and credit product comparison site use going down.

One interviewee mentioned they had compared it with the coach but hadn't done it since but would probably do so at some point. Another said they were in arrears so changing was difficult even if it was cheaper.

Reasons for debt

To understand the triggers, in order to best support longer-term solutions, we asked participants what they felt was the reason they found themselves in debt (this could be more than one reason).

	Percentage
Benefit delay	14%
I fell ill (physically and/or mentally)	14%
I was / am unable to work	6%
I had a bereavement	8%
My income is lower than my vital living costs	57%
I overspent / wanted to treat myself / go out with friends or family	4%
I had a small debt that got out of control	14%
I do not get enough hours at work	2%
I need to repair / replace a broken white goods (fridge / freezer, cooker etc)	2%
Other	14%

With 57% reporting that their income is lower than their living costs it showed the challenges in supporting clients to find solutions to their financial issues in such a short time frame. It also explains why, even though increased, the saving score at follow-up was so low. This began to show how changing people's financial situation is often a cumulative process, particularly when building resilience. Focussing on improving saving before people have managed to improve their income and expenditure ratio makes little sense and could well be counter-productive. Therefore it is important coaches set steps towards better financial health. This would start with making sure the client feels less worried and out of crisis mode to better focus on the bigger picture, then they will be in a better position to maximise income and in turn build sustainable cost savings to increase the ability to create a buffer that would protect them from any financial shock in the future. This process would take time and each step needs to be in place for the next to be successful.

We did see the highest improvement in the emotional outcomes and some positive changes elsewhere suggesting this process made have begun but the coaches were not able to see the process through.

Coaches were advised to seek income maximisation to overcome this income / expenditure deficit and did achieve this on one occasion with increase in benefits received but again the limited time made this difficult to see any real progress in this area. People were referred for training and volunteering to increase or improve employment but we had not seen any result of that in the evaluation.

In the interviews two interviewees mentioned irregular working patterns due to zero hours contracts, one of which had then lost work altogether due to the impact on their mental health and not knowing until a week before how much work they were going to receive but this was only given as a reason for debt by 2% of respondents.

Income maximisation would appear to be a better option to improve income and expenditure ratio as only 2% felt that overspending was a cause of their debt and can be seen to place the blame on the client when there are many factors which can seem out of the client's control. Income maximisation can be difficult, especially when you consider 20% were unable to work due to illness, disability, 7% are carer duties and 9% retired. 12% were also working full-time and although wages can be improved this is not a simple option and certainly not on a large scale as many jobs, particularly in London, are below a living wage.

Case Study Sarah's Story –

"[The coach] really helped me told to pay every week so we don't end up homeless and helped me do the plan…"

Sarah came for debt advice 9 months ago with rent arears. Sarah is a single mother of 4 and a carer for one of her sons who has a disability.

The rent arrears were caused by what was considered at the time as Housing Benefit overpayment and variation in the amount paid covered by housing benefit through changing calculations. Sarah tried to get support from a few different advice centres but was struggling to find someone to actually support her. She finally was referred to Toynbee Hall and following an initial assessment a debt appointment was scheduled. Before Sarah could attend she received a possession order. At the possession hearing possession was suspended on the basis of a repayment plan of £140 per month being agreed.

The client came back 4 months later as she had got behind with the repayments as she was struggling to afford this amount. The Money Coach looked through her paperwork and did a budget with her see what she could reasonably afford to pay, while maintaining her existing rent and other bills. The coach then made a call to the Housing benefit department requesting statements of payment amount. With this information and looking at the client's situation the coach spoke to a welfare benefits specialist and it was thought the amount of overpayment may have been miscalculated due to an incorrect non-dependant deduction based on the son's employment status. Together they advised Sarah to give evidence of her son's UC and PIP income to the council's HB team to correct this error. A call was made to Tower Hamlets Homes to explain this and request confirmation of the suspended possession order. They also said they would inform the Council who would be in contact about this.

Once the evidence was provided the overpayment amount was reduced meaning Sarah now only had to pay £50 (£43 for the arrears and £7 contribution rent after housing benefit payment). The coach then helped Sarah and her son plan out the new payment schedule first in Sarah's diary then on the son's phone. 4 months later Sarah is up-to-date with the payments. It was also determined by the Money Coach with support that since the original rent arrears issue the client had also got behind with her council tax. It appeared the change had not been communicated to the council tax department and therefore wasn't taken in to account for the Council Tax Reduction Scheme amount. The coach once again helped Sarah get the evidence and paperwork together to give to the council but also arranged £3.70 repayment plan with the debt adviser to ensure no recovery action was taken in the meantime.

"Still I don't understand why I now have council tax [debt]. The housing benefit was backdated and it was supposed to reduce the council tax but we are told we have to reapply for Council Tax reduction…. I called [housing officer] she helps me but she says she is very busy and bailiffs are giving me hard time, they are calling and calling me all the time, I don't have enough money so I came here. I am already paying £60 a week and sometime we don't have food… all our money we give to them… I am struggling… when we get a bill I have to ask my sister, my neighbours – now I have debt with them."

"We called the council and told them the housing benefit had been backdated but they asked to see a letter so we are trying to get a letter from [housing officer]."

Through discussions with the coach Sarah mentioned it was difficult for her son to get work due to health issues; that he wanted to work but struggled to get interviews due to lack of experience. It was arranged for him to come to volunteer and after a meeting with the volunteer coordinator a training course was found with the council's training and employment team.

It became clear in the follow-up interview that Sarah is still trying to resolve her council tax issue as although it was being looked in to she continued to receive text messages and letters. She was booked in to see a debt adviser again as the coaching delivery has finished.

Sarah told us at the 12 month follow-up that the debt adviser was able to help her agree a repayment for this further debt and that she had added this to her payment record but that they were still struggling to have liability looked at in the same way as the housing benefit as she was struggling to find a benefits adviser to support this. This is something the coach could have supported to improve Sarah's finances further.

Process Learning

Original numbers were not as high as planned and even though 74 accessed the service only 51 completed usable surveys. – Large changes in staffing the debt team, and new retendering process and a change of FI manager the week before the pilot started (who was supposed to manage the coaches) are the provided as the reasons for this. This not only hindered implementation but debt advice customer numbers were also significantly reduced during the pilot period and with the pilot delivery being tacked on to the debt service this obviously has a major impact on available numbers. Usually over this period the service would see around 150 clients per month this reduced to an average of 90 with only 30 coming in during the second month of the pilot delivery. This made a control group almost impossible and we struggled to get to the minimum proposed participants for the pilot.

The recommendation that a longer pilot period would improve client outcomes it would also help mitigate some of the process issues faced. Any issues, such as those faced with staffing and a drop-in advice service numbers have a larger impact on a short pilot. There is less time to rectify any issues and these temporary issues can cover a much larger proportion of the pilot delivery time.

The point during the debt advice process at which the coaching engagements should take place was disputed. Although the design was always supposed to have the first engagement with the coach between common initial assessment (CIA) and the first debt advice appointment, ideally directly after CIA as the client was present. It was decided the coaches would perform the CIA as part of the first session. When it became clear that a lot of already limited time was being spent doing CIAs that resulted in referrals out of not suitable for debt advice and therefore not eligible for the coaching pilot and there was existing resource to do CIAs it was decided that they should stop and revert back to the original plan. One coach felt this was the wrong decision as they felt this was a good opportunity to build a relationship and meant they could begin to understand the client's wider situation. So what the coach thought was helpful to engage with the client was at odds with the tight timeline of the pilot and the responsibilities of the role. "It was difficult to get clients [after coaches stopped doing CIAs] doing it was like a gateway in to the project but once we got others to do it was difficult to get the initial contact… I'm not sure why that was… but once I did get them I did engage with them and then it worked quite well". This suggests an issue with the service passing clients on to the coaching project, this could be a result of lower numbers accessing the debt service during this time but also a shows the need for clarity and support from the existing service – something likely impacted by changes in staff and focus on a re-tendering bid.

The disruption of the delivery supervision also had an impact on recording and survey completion. The survey was designed to not only collect pre-intervention evaluation data but collect important information for the coach to better understand the client's strengths and weaknesses to decide the most effective areas to work on but this seemed to get lost and the evaluator had to constantly remind the coaches of the importance of completing this survey. The coaches did feedback that they found it difficult to discuss the content of the survey as clients kept focussing on the debt. Despite stressing the separation of responsibilities of the debt advisers and the coaches, and that they should not take on the role of assistant to the debt adviser, as the person speaking to the client coaches struggled to not take on at least finding out information for the clients.

Coaches also reported that the complexity of people's issues often made some of the financial resilience building seem unimportant. As expected, and as one of the drivers for the pilot, the crisis situation meant that the client could not focus on the bigger picture and engage in financial skills building. What perhaps wasn't considered was how this would impact the coaches' ability to enquire about things such a budgeting and saving when people may be worried about the immediate issue, which can be as serious as eviction or removal of goods. One coach said they felt *"a bit silly [asking the questions] when they were so upset and worried"* and said they felt a bit awkward as it sounded like they were judging them for their debt problems – *"you know… they say they say they've got rent arrears and you say 'do you budget'? Sounds a bit off"*.

This is despite the coaches being trained not to simply read out the questions, to ensure they listened and chatted with the client and even find their own style as long as they did not lead the client. They were also asked to explain why the questions were being asked and the nature of the project. Building a relationship to hopefully improve engagement was fundamental to the project but for one of the coaches the survey seems to have been an obstacle to achieving this, whereas another coach felt the pre-survey was helpful as a way to start to investigate and discuss the participant's finances. This suggests more training, better supervision and longer time to practice to ensure consistency and specific support for each coach would help to find a way that gather the information and make both coach and client feel comfortable.

The large amount of support required outside of finances often took up a lot of the coaches time – *"we have to give a lot of other support we didn't think we were going to but you can't leave them… We spent a lot of time calling up other places to get them to help. We had one where we had to go with someone who was suffering with his mental health to be at his house when the council was doing an assessment at his house as he thought they might chuck him out… we also referred him to Mind but it takes a lot of time to call all these places."*

A 6 month check-in with participants that was supposed to help maintain engagement seems to have had some negative impacts. Participants demonstrated survey fatigue with many saying they had only recently done the survey. The length of the survey was also shown to be a barrier to completion. It took a lot of team capacity and resources to even obtain 17 surveys. The quality of these also seemed to be negatively affected. It was then decided during discussions with funders that the survey should be reduced, removing some questions that were not providing and significant data or insight. This resulted in the survey being reduced by 7 questions (roughly a third). Engagement was improved for the next round although how much of this was down to the reduction and how much was down to the longer time period between surveys is not clear.

Conclusion

The theory of change was too wide reaching and complex to be fully tested in this short pilot. While there is some good evidence of aspects of theory of change working, the theory itself demonstrates the complexity and multi-faceted nature of people's financial situations. It highlights the many variables involved and the amount of different activities and outcomes that lead to the overall objective. This should have been considered in the pilot design as the 4 month delivery was not sufficient to unravel and effectively provide solutions to the triggers entirely for a significant number of the participants – which are often time consuming and rely on many external factors such as requiring multiple agencies to communicate and act. Neither was this length of time was not sufficient to get people out of the crisis phase and able to look at the bigger picture of how to ensure the crisis does not return. With the short timescale participants would only focus on one or two activities that appeared the most urgent and likely to have the quickest impact.

While the pilot data was unable to provide strong statistical evidence there was enough qualitative data to provide evidence that the theory of change had been correct and the activities provided individuals with the desired outcomes and objectives even if the proposed activities could not all be completed. This meant that while the coaching overall had succeeded in achieving the objectives for some this was not enough to test every path as plotting on the theory. The building of trust and providing support dealing with other agencies appeared to be the biggest factors in improving the participants situations which seemed to be most evident in their improved wellbeing even if their material situation had not be largely overcome.

The theory and therefore the pilot did focus on the assumption that concentrating on financial capability building activities would provide the route to the objective when it appears, at least with the time the coaches had to work with the participant, that the general support which made up the first steps of the theory of change were the biggest factor and perhaps with a longer pilot period more of the activities could have been completed to further increase the positive outcomes.