

# Snapshot

Monthly advice trends in Scotland



*Case evidence and statistics from the Scottish CAB Service*

# On the Case

## A monthly snapshot of CAB case evidence

Snapshot is available here: <http://www.cas.org.uk/publications>

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.

# A snapshot of Scotland

In 2011/12, Citizens Advice Bureaux (CAB) in Scotland helped nearly 200,000 clients with half a million new problems. That's nearly 1,500 new problems brought to CAB for 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.

## Key trends in June 2013

The majority of bureaux use a real-time recording system that shows the problems that they see and the work that they undertake to help their clients. The database records around 87% of the total advice given in Scotland, which means that total figures for CAB will be higher than indicated here. In June 2013:

- CAB advised on 37,696 new issues. This was a 9% increase in issues compared to June 2012.
- Clients were better off by £8.4 million as a result of advice received at citizens advice bureaux
- Citizens advice bureaux provided representation at 447 tribunals or court cases, including 438 welfare tribunals.
- Advisers helped clients to complete 2,172 forms or applications, including 1,823 benefit forms.

## Types of problems

The top ten areas of advice are listed below. ESA continues to be the most common area of advice at bureaux, although Housing Benefit is the quickest growing area of advice. The statistics continue to show a shift away from Credit Card debts to unsecured personal loan debts as areas of advice need.

**Table1: New issues in June 2013**

Issue	Number of New Issues
ESA	2,811
Housing Benefit	1,725
Unsecured personal loan debts	1,161
JSA	1,098
Debt remedies	920
DLA (Care)	919
Credit card debts	903
Council Tax	897
Working Tax Credits	845
Council Tax arrears	835

Tables 2 and 3 show the issues that increased in frequency both in the last month and when compared to the same period last year.

Issues related to charitable applications have increased over the year, mainly as a result of an increase in food parcel related cases. Housing Benefit issues increased significantly in number compared to the same period in 2012 (+41%). This is due to people coming for advice on under-occupancy changes (the 'bedroom tax'). Jobseekers Allowance (JSA) has increased as an area of advice over the last 12 months, mainly as a result of an increase in sanctions issues brought to bureaux.

**Table 2: Year on Year increase**

Issue	Year on Year Increase	Additional Issues
Charities	+172%	+184
Pension Credit	+47%	+135
ESA	+45%	+874
Housing Benefit	+41%	+498
JSA	+34%	+280

The Personal Independence Payment (PIP) replaced Disability Living Allowance (DLA) for new claimants in Scotland in June. Clients were already enquiring about the new benefit in previous months, but we began to see clients applying for PIP this month. Pension Credit and Tax Credit issues also increased this month as the 31st July renewal deadline approaches.

**Table 3: Monthly change**

Issue	Percentage Change	Additional Issues
PIP (Daily Living)	+328%	+266
PIP (Mobility)	+287%	+192
Neighbour issues	+16%	+37
Pension Credit	+14%	+51
Working Tax Credit	+8%	+60

# Issue of the month: JSA and digital access

The *Offline and Left Behind* report produced by Citizens Advice Scotland (CAS) in May of this year revealed that over three-quarters of CAB clients would struggle with the move to 'digital by default' for benefit claims. Many cases in June 2013 report of clients who are expected to make their Jobseekers Allowance claim online and use Universal Jobmatch, the DWP computer system for helping jobseekers find employment.

Clients are reporting difficulties either making the move to digital or simply having access to the internet in the first place. Clients who previously have had access to support when filling in benefit claim forms, due to disabilities or learning difficulties, are now being made to apply for benefits online, meaning they are unable to access the same kind of support. A rural/urban gap is also highlighted with some remote areas having no or slow internet access and therefore being hindered significantly from completing claims online.

- ▶ **A South of Scotland CAB reports of a client who has no internet connection at home and is having problems applying for Job Seekers' Allowance (JSA). The local library only allows a 20 minute sign-on per client, therefore each time the client tries to complete the form the computer automatically signs her off and the application is lost. When she tries to log back in she discovers that nothing has been saved. With support from the CAB an appointment to complete JSA application was made for client the following day at the local Job Centre Plus.**
- ▶ **A West of Scotland CAB reports of a client who has severe dyslexia and is unable to use a computer or write applications for jobs and as such is supported through a weekly appointment with the Jobcentre. The client attended his weekly appointment and on presenting his job book to the adviser he was told it was not acceptable that details of job searches were not complete despite the client pointing out his usual support arrangement. The adviser sanctioned the client for not completing the book, taking him off benefits and said that this would progress to a decision maker. The bureau made a complaint about the adviser as they felt the client was being discriminated against.**
- ▶ **An East of Scotland CAB reports of a client who had been to her local Jobcentre Plus (JCP) and was told that she could not apply for JSA as she was not computer literate. She called JCP later to make a claim via the telephone and stated that the adviser she spoke to said that she would never get a job as she can't use a computer. The CAB advised the client that not being computer literate should not stop her applying for jobs or claiming benefits as she can make a telephone claim for income-based JSA.**

# Case analysis: Bankruptcy

Bureaux are reporting cases in which clients have accumulated such high levels of debt that the only viable solution is bankruptcy. Often these clients are on very low incomes or find themselves unemployed and on benefits. In order to apply for bankruptcy a £200 fee is required, which for many clients is impossible to source. This either holds up the sequestration process or puts pressure on the client to access the required £200 fee often relying on family goodwill.

Clients who have recently or previously made themselves bankrupt are reporting difficulty in accessing bank accounts; this includes even basic accounts with no overdraft features. With no access to banking options this often leads to further financial exclusion. The CAS report Banking on the Basics found that 1 in 5 households in Scotland's most deprived areas do not have a bank account. Despite repeated calls from CAS on the availability of Basic Bank Accounts, evidence from bureaux shows high street banks are continuing to restrict access.

- ▶ **An East of Scotland CAB reports of a client who has debts of over £10,000 to over fifteen different creditors and was seeking support from CAB to apply for bankruptcy. She has caring responsibilities for two children and is currently pregnant. As the client is on benefits and has a low income she cannot afford the £200 sequestration fee and is relying on the financial support of her mother to make her bankrupt to clear all outstanding debts before her baby is born.**
- ▶ **An East of Scotland CAB reports of a client who has multiple loan debts of just under £7,500, including payday loan debts, as a result of a gambling addiction. As the client has no assets he considers bankruptcy his best option. The client was also considering raising a compensation claim as he was recently injured in an attack at work with his attacker sentenced to a lengthy jail term. The CAB advised the client that any compensation claimed for the injuries sustained may be lost to trustees if he was made bankrupt.**
- ▶ **An East of Scotland CAB reports of a client who had trouble with her high-street bank blocking her account after she was confirmed bankrupt. Despite repeated attempts and with support from the Money Advice Service the bank was unwilling to allow the client access to a bank account with them, even a basic one.**

# Case analysis: HB and temporary housing

Over 105,000 Scottish households are being affected by the under-occupancy charges to housing benefit, commonly referred to as “The Bedroom Tax”. In the last few months, CAS has reported on how these changes are hitting households hard, including the April report *Voices from the Frontline: The Bedroom Tax*.

Recently CAS has been made aware that even some of the most vulnerable in society, such as those who are homeless have been affected by the ‘bedroom tax’. Despite not having a permanent home, homeless claimants are being asked to make contributions if their temporary accommodation has more bedrooms than they require, despite them not having an option on what size of temporary accommodation they are given.

- ▶ **A West of Scotland CAB reports of a client who was placed in temporary accommodation as he is a homeless person waiting to be permanently re-housed. However, as he was placed in a two bedroom property, the client is classed as having an extra bedroom and is required to pay 14% of the applicable rent due to under occupancy changes. As a result, the client needs to pay £32 per week from his Income Support payment of £72. The local authority confirmed that the client is not exempt from the ‘bedroom tax’ and that he should see a Housing Officer to find alternative temporary accommodation as a matter of urgency. The client can’t understand why he wasn’t offered a one bedroom property to allow him to get “back on his feet” after a long period of homelessness. This confusion has greatly upset the client.**
- ▶ **A East of Scotland CAB reports of a client and his partner who are registered homeless and have been living in a friend’s house for two months. His 17 year old partner is pregnant. The client is in employment, but is currently on bail. They were offered a tenancy, but this was in a town which he is not permitted to be in due to his bail restrictions. They have now been offered a three bedroom flat elsewhere. If they accept this tenancy, they will immediately incur a 25% under occupancy charge dropping to 14% when the client’s partner is entitled to maternity allowance.**

# Case analysis: Payday loans

A recent investigation into Payday Loans companies by the Office of Fair Trading found that many lenders were not keeping to commitments that they had signed up to in the Good Practice Customer Charter of November 2012. CAS is also running a survey on this issue, asking payday loan clients to report on their experiences. The survey can be found online here: <http://www.surveymonkey.com/s/ScotlandPDLs> (paper copies are available on request).

This has resulted a number of lenders' licenses being revoked by the OFT and the industry being reported to the competition commission for a full review.

Bureaux have continued to report many practices which breach the charter that lenders agreed to six months ago. This includes a variety of issues from poor credit checks and not carrying out affordability of loans to aggressive debt collection and encouraging the rolling-over of loans.

- ▶ **A West of Scotland CAB reports of a client who took out a pay day loan for £400 online. Despite having made monthly payments of £40 for three months, due to her inability to afford the repayments the client cancelled the direct debit set-up with the lender. As a result the debt had been passed to a collection agency who are now demanding payment of £2400, in less than four months. Despite making payments that amount to 30% of the original loan, the client is faced with a repayment demand for six times the sum borrowed.**
- ▶ **A East of Scotland CAB reports of a client who – despite being in receipt of benefits with no other income, had managed to take out a payday loan, but now cannot afford the payments. The client was concerned that the lender would access his bank account and take his benefit payment leaving him with nothing to live on. The CAB supported the client in opening a new post office account that the lender would not be able to access. In addition, support was given in how to negotiate a repayment schedule with the lender.**
- ▶ **An East of Scotland CAB reports a client who is in the Debt Arrangement Scheme and has been making regular agreed payments to this for three months. Despite this arrangement the client was having issues with two payday lenders covered by the repayment schedule who had added fees onto the debt he owed them. With support from the CAB the client managed to get a cancellation of the fees resulting in a £1700 reduction on the debts owed to the payday lenders.**

## Personal Independent Payment (PIP)

The move to the Personal Independence Payment (PIP) from Disability Living Allowance (DLA) for some clients has seen bureaux cases in this area rise threefold between May and June. Many of the cases being seen by CAB highlight poor administrative practices by the DWP and often difficulty for the client completing an application due to its complexity.

- ▶ **A North of Scotland CAB reports of a client approaching retirement age who attended the bureau for a benefits check. The adviser helped the client to get an application form for PIP as he appeared to meet the criteria with multiple mobility issues and other medical problems. The CAB adviser spent 20 minutes on hold to the DWP before being connected. It took a further 20 minutes to process the basic details of the case, and the DWP found it difficult to accept that the adviser was acting on the client's behalf. The bureau is concerned that clients such as this would have no support if the CAB was not there to provide it.**
- ▶ **A North of Scotland CAB reports of a client who is in full-time education and finds it difficult to contact the DWP for a PIP form as the opening hours of the claim line are 8am to 6pm Monday to Friday. As the client leaves for school prior to 8am and attends an after-school music college session until after 6pm, he is not at home to make the call. Due to the rural location of the client's home he has no mobile phone signal in order to contact the PIP claim line. The CAB adviser contacted DWP who informed that there is no other way to get a PIP claim form other than phoning the line.**

## Fuel Poverty

With many energy companies' fuel bills rising, some up to 18%, more Scots are finding themselves fuel poor. Energy Action Scotland estimate that 900,000 Scottish households are spending more than 10% of their income on fuel. In 2011/2012 Scottish bureaux helped over 7,400 people with energy issues, many with difficulties affording to heat or light their home.

- ▶ **A North of Scotland CAB reports of a client who has high electricity bills and is unable to pay them due to his social rented housing being installed with old inefficient storage heaters. The CAB contacted the local authority to request a more efficient heating system to be installed in his home. Support was also given in negotiating repayment of energy bills with his current supplier.**
- ▶ **An East of Scotland CAB reports of a client who had no access to funds to pay for electricity in his pre-paid meter due to facing a sanction on his benefit payment. CAB supported the clients by contacting his energy company who agreed to put him on emergency credit. The client was also directed to the local food bank as he had no money for food.**

Using evidence provided by Bureaux, CAS writes consultation responses, briefing sheets and research reports on a variety of issues. All of our external publications can be found on the CAS website [www.cas.org](http://www.cas.org), in the publications section. Some of our most recent publications are:

## **Consumer Snapshot – June 2013**

This report examines trends in the kinds of issues that consumers in Scotland approached the Citizens Advice Service for advice on in 2012/13. Consumers are much more likely to approach their local CAB for advice on debt, housing and energy issues than they are to contact the Citizens Advice consumer service. Conversely, for issues around buying and servicing cars, furniture and building repairs consumers are much more likely to contact the Citizens Advice consumer service. Consumers in Scotland are 156% more likely than people in the rest of Great Britain to call the Citizens Advice consumer service about a problem with leather furniture and 115% more likely to ask for advice on a holiday club.

## **The Effect of Government Policies on Disabled People Debate**

This briefing was provided for a Westminster debate on the Effect of Government Policy on Disabled People. CAB across Scotland have experienced an increase in need for advice and support due to the impact of welfare changes and benefit cuts. These have had a disproportionate impact on disabled people who are already or will be affected by a multitude of detrimental changes.

# What we have been working on

During June, the CAS team have been working on:

## Bankruptcy Bill

The Bankruptcy and Debt Advice (Scotland) Bill will appear before the Economy, Energy and Tourism Committee of the Scottish Parliament later this year. A call for evidence has been issued and CAS are producing a response to the consultation, highlighting some of the issues being seen by bureaux across Scotland regarding bankruptcy. On 5th August, CAS will host the first Debt Focus Group of 2013/14, which is an opportunity for the Policy Team and colleagues from bureaux to discuss debt and bankruptcy policy.

## Payday Loans

Following the *Payday Loans: your rights, their responsibilities* report, further work has been done regarding how the lenders are keeping to the Good Practice Charter which the large majority signed up to in November 2012. An education and rights campaign will be rolled out to bureaux to help them support clients with payday loan debt and educate on the pitfalls of this source of credit.

## DWP Administration

The changes in the benefits system has meant a huge increase in the support being requested by clients at bureaux across the country. The Policy team have been tracking common issues that are recurring and highlighting these to the DWP with common administrative problems being seen by bureaux. The DWP have taken on board some of the admin problems being pointed out by CAS and are attempting to resolve them. CAS will continue to feedback problems that CAB are reporting.

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