

# Snapshot

## Advice trends in Scotland



Case evidence and statistics from the Scottish CAB Service

# A SNAPSHOT OF SCOTLAND



Charity support  
**+132%**



Credit card debts  
**-20%**



Payday loans  
**-30%**

Benefit overpayments  
**+40%**



Pay & Entitlements  
**+21%**

Employment Tribunals  
**-22%**



ESA  
**-11%**

Jul-Sep 2014 compared to  
same period in 2013

Social rent arrears  
**+8%**



**147,384**

Number of new issues  
advised on in quarter 1

**2,233**

Number of new issues  
advised on each  
working day

**5.3**

Issues advised on per  
minute (based on 7 hour  
working day)

# THE SCOTTISH CAB SERVICE

In 2013/14, citizens advice bureaux (CAB) in Scotland advised on over 550,000 new issues - that's over 1,500 new problems brought to CAB for each day of the year. More than 2,500 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 where change is required. We think this is so important that it's one of our twin aims – to exercise a responsible influence on the development of social policies and services, both locally and nationally. We work with the Scottish and UK Governments, benefit delivery agencies, banks, private companies, and other third sector organisations, to ensure that the problems that are seen in the CAB are translated into better policies and practices in the future.

*Snapshot* uses bureau evidence to act as an early warning system of where policies and practices are failing or inefficient. These quarterly briefings use very recent evidence and will be an excellent way of spotting trends in social policy and tracing the impact of recent policy changes. The briefings will be of use to politicians, government departments, the private sector, and third sector organisations – and anyone with an interest in the most important issues facing people in Scotland.

## **In this edition:**

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# ADVICE TRENDS

CAB in Scotland advised on 147,384 new issues in July-September 2014 – over 2,200 per working day. This was a 6% increase compared to the same period in the previous year. This briefing covers the advice provided by citizens advice bureaux in this period – the Service also provides advice through the consumer helpline and self-help advice through the *Adviceguide* website. Key advice trends from bureaux in this quarter include:

## **All areas of advice saw increasing demand... except consumer debt**

Every broad area of advice need increased this quarter compared to the same period in 2013, except debt which fell by 10%. Consumer debt issues fell by 20% compared to the same period last year, which is likely to be related to a squeeze on income and the availability of credit. However, non-consumer debt, such as council tax arrears and rent arrears, increased by 6%.

## **Issues with the benefit system continue to increase**

Bureaux advised on 844 benefits issues per working day in this quarter, an increase of 8% compared to the same period in the previous year. ESA, Housing Benefit and JSA remain the most common issues in bureaux, although Personal Independence Payment (PIP), tax credits and the Scottish Welfare Fund were the benefit issues that increased the most in this period.

## **PIP is becoming a significant issue in bureaux**

Issues related to the Personal Independence Payment (PIP), the new disability benefit, are increasing quickly at bureaux, with many clients experiencing significant delays in their assessments.

## **Poor employment practices are on the increase**

Employment issues increased by 12% in this period compared to the previous year with issues relating to pay & entitlements (+21%), terms & conditions (+14%) and dismissal (+9%) all showing increases in advice need. Employment issues have increased in bureaux at the same time as the introduction of fees for taking a case to an Employment Tribunal has caused the number of tribunals to fall.

## **The number of clients requiring food parcels is continuing to increase**

There were 1,827 new food parcel issues at bureaux during this quarter – a 27% increase on the previous quarter. Around 1 in every 44 clients had a food parcel issue in September, compared to around 1 in 50 at the start of 2014.

The following paragraphs and figures show in more detail the trends described above. For further information on any of these areas, please contact Keith Dryburgh, Policy Manager, at [keith.dryburgh@cas.org.uk](mailto:keith.dryburgh@cas.org.uk).



## Top 10 most common issues in Quarter 2 (2014/15)

| Advice area         | Number of new issues | Year-on-year change |
|---------------------|----------------------|---------------------|
| ESA                 | 8,964                | -11%                |
| Housing Benefit     | 5,969                | +2%                 |
| JSA                 | 4,244                | +7%                 |
| PIP (Daily Living)  | 3,817                | +78%                |
| Council Tax         | 3,724                | +12%                |
| Council Tax arrears | 3,499                | +4%                 |
| Pay & entitlements  | 3,404                | +21%                |
| Working Tax Credit  | 3,326                | +16%                |
| Child Tax Credit    | 3,300                | +22%                |
| PIP (Mobility)      | 3,155                | +78%                |

Despite an 11% fall in the number of new issues, ESA remains the most common advice area that clients seek advice on (136 new issues per working day). The fall in numbers is mainly related to a drop in the number of appeal issues, which is likely to be due to the introduction of mandatory reconsiderations and also a backlog in the number of assessments. Housing Benefit remains the second most common advice area after significant increases in advice need in the last year.

## Issues **increasing** in number in Quarter 2 (2014/15)

| Advice area        | Additional issues | Year-on-year change |
|--------------------|-------------------|---------------------|
| PIP (Daily Living) | +1,606            | +78%                |
| PIP (Mobility)     | +1,384            | +78%                |
| Charity support    | +1,550            | +132%               |
| Regulated fuel     | +790              | +46%                |
| Pay & entitlements | +593              | +21%                |
| Child Tax Credit   | +585              | +22%                |
| Crisis Grants      | +525              | +51%                |
| Working Tax Credit | +464              | +16%                |
| Council Tax        | +408              | +12%                |
| Divorce/separation | +290              | +16%                |

The rise in Personal Independence Payment (PIP) issues was expected, as the benefit was only introduced in June 2013 and is being gradually rolled out. However, the number of cases, and the problems that clients are experiencing

when making a claim, is causing real concern. PIP issues are explored further in the next section.

Charity support issues more than doubled in number compared to the previous year, with the increase mainly accounted for by increases in food parcel issues (1,827 new food parcel issues were recorded in this quarter). Employment pay & entitlement issues increased in this quarter, mainly due to problems with wages, sick pay and holiday entitlement, which are explored in more detail in the next section. Issues related to Tax Credits have increased steadily throughout the year, including increasing numbers of overpayment problems.

Looking at issues that increased by proportion, rather than just by number, shows a number of other advice areas that are steadily rising. This includes a range of smaller advice areas that are increasing in demand, such as pensions/savings/investments (+41%), community care (+41%), homelessness (+20%) and divorce/separation (+16%).

While most areas of advice increased in demand in this period, some key areas saw a reduction, including a number of consumer debts, such as personal loan debts, credit card debts, overdrafts, payday loan debts and mortgage arrears. In total, consumer debt decreased by 20% in this quarter compared to the same period last year, while non-consumer debt, such as rent and council tax arrears, *increased* by 6%.

### Issues **decreasing** in number in Quarter 2 (2014/15)

| Advice area            | Decrease in numbers of issues | Year-on-year change |
|------------------------|-------------------------------|---------------------|
| ESA                    | -1,145                        | -11%                |
| Credit card debts      | -705                          | -20%                |
| Personal loan debts    | -561                          | -20%                |
| Debt remedies          | -461                          | -14%                |
| Payday loans           | -362                          | -30%                |
| Overdraft debts        | -344                          | -21%                |
| Catalogue debts        | -239                          | -19%                |
| Fuel debts             | -188                          | -18%                |
| Mortgage arrears       | -175                          | -22%                |
| Owner occupier housing | -165                          | -11%                |

There are a number of possible factors for the decrease in consumer debt issues. Consumer debt issues in bureaux peaked in 2009/10 which was a high tide mark where the culmination of a decade of easy credit met a significant recession. The second factor is the 'credit crunch' which took place around this period which meant that consumer credit became more difficult to obtain. Another potential factor is falling incomes and benefit cuts, which, alongside

# KEY ISSUES THIS QUARTER

tighter lending criteria, leave consumers less able to access credit. Evidence from bureaux suggests that many consumers cannot afford to access credit.

## Employment problems

A number of factors appear to be driving an increased demand for employment advice, including zero hour contracts, low pay, and the new fees system for Employment Tribunals. Employment issues

increased by 12% in this period compared to the previous year with issues relating to pay & entitlements (+21%), terms & conditions (+14%) and dismissal (+9%) all showing increases in advice need.



21%

**Increase in pay & entitlement issues this quarter**

The rise in employment issues corresponds to the introduction of fees for making a claim to an Employment Tribunal in July 2013. Bureaux have reported that tribunal fees are creating a barrier to justice, particularly where the client has already lost a large sum or the amount claimed is less than the fee for bringing the claim.



14%

**Increase in terms & conditions issues this quarter**

According to official figures, the number of claims to Employment Tribunals fell by 70% in April – June 2014 compared to the same period in 2013, suggesting that many people across the UK are opting not to pursue claims because of the cost.

This situation may be having a cascading effect on other employment issues. There is a risk that employment practice may become poorer as the fees become a barrier to employees holding their employers to account. In this quarter, bureaux reported increases in issues concerning wages and payslips (+24%), sick pay (+20%), illegal deductions (+34%) and holiday pay (+32%).

- ▶ A North of Scotland CAB reports of a client who is unable to afford taking her case to an Employment Tribunal. The client recently left her employment after she and a number of other employees were treated badly by the manager, and she has had her final wages withheld. The client was advised that taking the case to an Employment Tribunal would involve upfront fees of £390. The client cannot afford the fees and feels

that her former manager is getting away with mistreating staff and withholding wages.

- ▶ A West of Scotland CAB reports of a client who has a legitimate claim for wrongful dismissal with a good prospect of success. The total money owed to the client in redundancy pay and holiday pay is £3207. However, her employer is no longer solvent and has no assets. The only way the client is likely to recover any money is through the National Insurance Fund but the client must go through the whole Employment Tribunal process first – including paying the £160 Application Fee and the £230 Hearing Fee. This is a lot of hassle and money for the client who was treated badly by a rogue employer.
- ▶ A North of Scotland CAB reports of a client who left her employment. Although she was paid her last pay check, she was not paid any holiday pay. She had taken 3 days of holiday in her 9 months of employment and wondered whether she was entitled to any money, and if so how she could claim it. The adviser worked out that she was entitled to £560. The client was advised to write to her employer in the first instance, and if this was unsuccessful the client could pursue the money through an employment tribunal. However, due to the costs involved, it might be better for the client to pursue redress through the Sheriff court.

## **Personal Independence Payment (PIP)**

Citizens advice bureaux continue to see very significant delays for Personal Independence Payment (PIP)

claimants who are waiting for their assessment, meaning that some clients who already face significant disabilities or health conditions are without much needed money and other benefits linked to PIP for several months. Thanks to bureau evidence, CAS has been able to provide detailed information about the length of the delays and the impact on clients to the Independent Review of PIP.



**Number of PIP (Daily Living) issues this quarter**

- ▶ A North of Scotland CAB reports of a client who has waited more than 26 weeks for his PIP assessment. The client suffers from dementia and COPD. The client and his wife have roughly £1 a week spare from their income, with their car being their biggest expense due to living in a remote area. They were hoping that the PIP claim would have been assessed by now as they were hoping to get a mobility car. In the meantime, they are struggling to afford this essential expense.
- ▶ A West of Scotland CAB reports of a client whose eventually successful claim for PIP took 9 months to be assessed. The client was awarded both components at the enhanced rate. The delay caused the client anxiety and exacerbated his financial difficulties. The client wishes to take advantage



of the motability scheme but could not do so for the 9 months it took to process his claim.

- ▶ A North of Scotland CAB reports of a client who has MS who has waited more than five months for a date for her PIP assessment. Due to the client's worsening mobility issues, and her remote location, she has requested a home assessment. The client has recently had to use a wheelchair and needs a suitable car that can transport her wheelchair. Due to her location, there are no alternative forms of transport that she can use. Until the client has an assessment, she cannot progress getting a suitable car.

## Food parcels

The provision of food parcels and food aid has grown significantly in Scotland in the last three years. Bureau evidence shows that there are certain client groups that are more likely to need a food parcel, including men, those who are unemployed, those unable to work due to a disability, and those living in local authority housing. Evidence from citizens advice bureaux, and from a range of other organisations, strongly suggests that a major factor in creating the demand for food parcels has been benefit reform and poor administration.



**Number of new food  
parcel issues per  
working day**

Below are a number of cases which show how a gap in benefits can result in crisis situations which have a negative impact on clients' health.

- ▶ A South of Scotland CAB reports of a client who receives ESA but had recently been discharged from hospital following a two week stay treating type 2 diabetes. He was put on a special diet that required him to purchase special foods, increasing his grocery bills. As such, he had run out of money and his next instalment of benefits is not due to be paid for several days. He was refused an advance of benefit as he did not meet the criteria. He was refused a crisis grant as he had already had three in the past 12 months. The client had no money for food and a food parcel was organised but this is unlikely to contain the foodstuffs suitable for his condition.
- ▶ A West of Scotland CAB reports of a client who was sanctioned for 12 weeks for breaching her claimant commitment and not applying for enough jobs. Being sanctioned caused unnecessary strain and due to additional pressures of life mounting, the client attempted to take her own life.
- ▶ A North of Scotland CAB reports of a client who was accompanied by a Council Support Worker and came to the CAB to ask for help regarding housing arrears and debt. He thinks he owes £578 in rent arrears but

knows he has other Local Authority debts. His LA Housing Officer has told him that he is in danger of eviction. The client also has other debts: gas, electricity, telephone, but does not know the sums involved. He claims JSA but has no income, having been sanctioned. He has already received three food parcels, the maximum. He is on anti-depressants which he stopped taking five days ago as they have to be taken with food. He wants to keep his home and wants to be able to eat and take his medication.

- ▶ A North of Scotland CAB reports of a client who has been suffering hardship due to poor Jobcentre Plus administration. The 55 year old client, who has had cancer and a stroke, has had two ESA applications lost by JCP in the last two months. As a result, the client has not had any income for seven weeks and has needed two Crisis Grants and a referral to a food bank.

## **The changing debt landscape**

Every area of advice need increased this quarter compared to the same period in 2013, except debt which fell by 10%. Consumer debt issues fell by 20% compared to the same period last year, which is likely to be related to a squeeze on the availability of credit and falling incomes. However, non-consumer debt, such as council tax arrears and rent arrears, increased by 6%.

It is unlikely that the fall in debt issues represents a positive trend. Feedback from money advisers suggest that clients often do not have enough income to be able to afford credit, and that there are likely to be clients who are accessing the Scottish Welfare Fund or being referred to a food bank who previously may have been able to obtain credit. The fall in consumer debt issues may therefore be related in the rise in food parcel and Crisis Grant issues.

The steady rise in priority debt issues, such as Council Tax and rent arrears, is also a cause for concern, with the consequences of these debts much more serious than those of consumer debts. Homelessness issues (+20% this quarter) increased at bureaux for the first time since the height of the recession, which is likely to be related to rising priority debt. It is also a concern that benefit overpayments are increasing across the board (+40%), as benefit deductions can have a significant impact on those on an already small income.

# CAS SOCIAL POLICY WORK

Citizens Advice Scotland uses evidence from citizens advice bureaux to show where problems with policy and practice exist and to lobby for change. In this quarter, CAS published a number of briefings and reports (click on the title to be linked to each report):

## [Zero Hour Contracts](#)

This briefing focusses on a concerning aspect of the rise of the zero hours contract – the insecurity of working hours and income caused by workers being guaranteed no set amount of work, or even any hours at all in any given week. The human impact of the insecurity of income can be seen through the stories of CAB clients who have been forced to borrow from payday lenders and even resort to food banks because of significant variances in their pay from week to week. In this situation, budgeting can be impossible and the safety net of the benefits system inaccessible because of the unpredictable nature of their working hours.

## [No Credit and Broke](#)

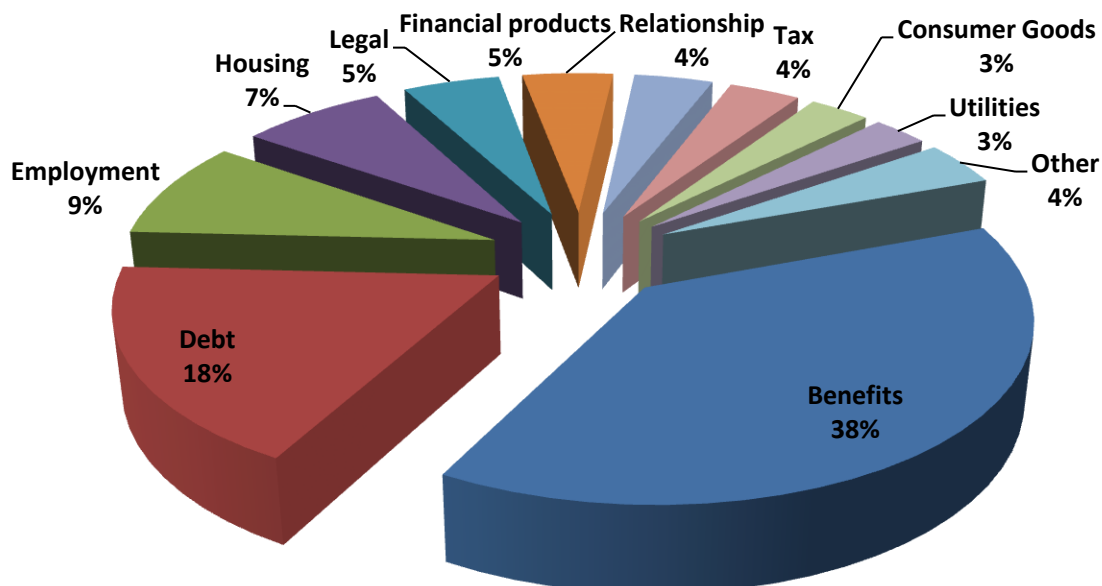
The rise in payday lending in the UK has led to a concurrent rise in the number of credit brokers who offer to search for loans for consumers for a fee. Evidence from the citizens advice service indicates that consumers can experience significant detriment and hardship caused by the (often unintentional) use of a credit broker. While brokers can offer a legitimate service, many of the industry practices, including providing misleading information, sharing personal details with other brokers, offering customer applications for the highest commission, and refusing to offer refunds, are in urgent need of change.

## [Sanctioned: What Benefit?](#)

This report is one of the most detailed examinations of the impact of sanctions in Scotland so far. It provides an analysis of the current system, its impact on clients, real case evidence and the findings of a survey of Scottish CAB advisers. We also provide 16 recommendations that are needed to the current system and why they are needed. This comprehensive report shows that many people are forced into poverty and ill health, often having to rely on food banks as their benefit payments are stopped. The report also reveals that many people who are hit by a sanction are not told the reason for it, or how to appeal against it.

# APPENDIX: STATISTICAL SUMMARY

## Breakdown of new issues at bureaux



## Top 10 most common issues in Quarter 2 (2014/15)

| Advice area         | Number of new issues | Year-on-year change |
|---------------------|----------------------|---------------------|
| ESA                 | 8,964                | -11%                |
| Housing Benefit     | 5,969                | +2%                 |
| JSA                 | 4,244                | +7%                 |
| PIP (Daily Living)  | 3,817                | +78%                |
| Council Tax         | 3,724                | +12%                |
| Council Tax arrears | 3,499                | +4%                 |
| Pay & entitlements  | 3,404                | +21%                |
| Working Tax Credit  | 3,326                | +16%                |
| Child Tax Credit    | 3,300                | +22%                |
| PIP (Mobility)      | 3,155                | +78%                |

### Quarterly advice trends (number of new issues)

|                    | Q1<br>2013/14  | Q2<br>2013/14  | Q3<br>2013/14  | Q4<br>2013/14  | Q1<br>2014/15  | Q2<br>2014/15  | Change on<br>last quarter | Change on<br>last year |
|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|------------------------|
| Benefits           | 53,130         | 51,718         | 46,504         | 56,523         | 54,337         | 55,700         | 8%                        | 3%                     |
| Debt               | 29,492         | 28,950         | 27,838         | 33,212         | 27,527         | 25,936         | -6%                       | -10%                   |
| Employment         | 11,558         | 11,649         | 10,513         | 12,820         | 12,254         | 12,986         | 6%                        | 11%                    |
| Housing            | 9,638          | 10,315         | 9,338          | 10,996         | 10,474         | 10,719         | 4%                        | 4%                     |
| Legal              | 6,062          | 6,301          | 5,629          | 6,966          | 7,048          | 7,181          | 2%                        | 14%                    |
| Financial products | 4,996          | 5,077          | 5,289          | 6,519          | 6,200          | 6,730          | 9%                        | 33%                    |
| Relationship       | 4,911          | 5,099          | 4,662          | 5,461          | 5,531          | 5,852          | 6%                        | 15%                    |
| Tax                | 4,493          | 4,694          | 4,271          | 5,532          | 5,308          | 5,285          | 0%                        | 24%                    |
| Consumer goods     | 3,590          | 4,230          | 4,150          | 4,739          | 4,482          | 4,463          | 0%                        | 6%                     |
| Utilities          | 2,879          | 3,147          | 4,350          | 4,332          | 3,805          | 4,182          | 10%                       | 33%                    |
| Health             | 2,233          | 2,347          | 1,968          | 2,404          | 2,587          | 2,595          | 0%                        | 11%                    |
| Travel/transport   | 1,718          | 2,075          | 1,675          | 2,117          | 2,246          | 2,482          | 11%                       | 20%                    |
| NHS concern        | 1,154          | 1,101          | 999            | 1,186          | 1,334          | 1,136          | -15%                      | 3%                     |
| Immigration        | 1,208          | 1,105          | 1,040          | 1,092          | 1,100          | 1,110          | 0%                        | 0%                     |
| Education          | 726            | 909            | 585            | 639            | 769            | 1,061          | 38%                       | 17%                    |
| <b>TOTAL</b>       | <b>137,788</b> | <b>138,717</b> | <b>128,811</b> | <b>154,538</b> | <b>145,002</b> | <b>147,384</b> | <b>2%</b>                 | <b>6%</b>              |



## Top 40 new issues at bureaux in Jul-Sep 2014

| New Advice Codes                                       | Number of new issues |
|--|----------------------|
| Employment and Support Allowance                       | 8,964                |
| Housing Benefit  | 5,969                |
| Jobseekers Allowance                                   | 4,237                |
| PIP (Daily living)                                     | 3,817                |
| Council Tax  | 3,724                |
| Arrears - council tax, community charge                | 3,449                |
| Pay and entitlements                                   | 3,404                |
| Working Tax Credits                                    | 3,326                |
| Child Tax Credits                                      | 3,300                |
| PIP (Mobility)   | 3,155                |
| Credit, store and charge card debts                    | 2,907                |
| Private sector rented property                         | 2,898                |
| Remedies   | 2,790                |
| Charities  | 2,721                |
| Fuel - regulated (gas, electricity)                    | 2,498                |
| Unsecured personal loan debts (excluding payday loans) | 2,201                |
| Divorce, separation, dissolution                       | 2,061                |
| Terms and conditions of employment                     | 2,019                |
| Dismissal  | 1,905                |
| DLA - Care Component                                   | 1,813                |
| Dispute resolution                                     | 1,632                |
| Attendance Allowance                                   | 1,619                |
| Scottish Welfare Fund - Crisis Grant                   | 1,553                |
| Carers Allowance                                       | 1,475                |
| DLA - Mobility Component                               | 1,474                |
| Child Benefit / guardians benefit                      | 1,422                |
| Owner occupier property                                | 1,402                |
| Pension Credit - Guaranteed                            | 1,393                |
| Income Support   | 1,349                |
| Local Authority housing                                | 1,317                |
| Children   | 1,308                |
| Income Tax   | 1,302                |
| Bank and building society overdrafts                   | 1,278                |
| Solicitors / advocates                                 | 1,165                |
| Environmental and neighbour issues                     | 1,101                |
| Court - Sheriff + High Court: small claims proceedings | 1,060                |
| Catalogue and mail order debts                         | 1,036                |
| Arrears - rent: LA                                     | 1,030                |
| Parking  | 980                  |
| Bank / building society and P/O accounts               | 891                  |

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

The CAB Service aims:

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

and equally

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

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

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[info@cas.org.uk](mailto:info@cas.org.uk)

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Citizens Advice Scotland (Scottish charity number SC016637)  
Spectrum House, 2 Powderhall Road, Edinburgh EH7 4GB  
Tel: 0131 550 1000

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