

# Paying the Price: The Real Costs of Illness and Disability

Sick and disabled Scottish CAB clients are severely cash-strapped as a result of their poor health – unable to work and reliant on inadequate and unstable benefits, they are trapped in poverty

Citizen's Advice Scotland's (CAS) latest report, **Paying the Price: The Real Costs of Illness and Disability**, is based on a detailed survey of clients claiming incapacity benefit (IB) or disability living allowance (DLA) from representative Citizens Advice Bureaux across the country. It shows that:

- This client group is facing severe financial hardship. More than two-thirds (69%) had a monthly household income of less than £800 and nearly two-thirds (62%) had incomes consisting solely of benefits or tax credits. Just under half (48%) reported that they had reduced their heating, lighting or cooking because of difficulties paying for fuel
- Many clients have little chance of improving their financial circumstances. More than three-quarters (78%) said that their health was fluctuating or getting worse. Nearly half (46%) had been out of work for more than five years, and only just over a quarter (29%) felt that their health would allow them to work again in the future
- This group is having negative experiences in relation to claiming IB and DLA. In particular, there is a real problem with the standard of decision-making – of those clients who had appealed a decision, nearly two-thirds (63%) of IB appeals and over half (52%) of DLA appeals had been successful.

In 2004/05, enquiries about disability and sickness benefits accounted for just under a third (29%) of all benefits enquiries brought to the Scottish CAB service.

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## Key findings:

Within our research group:

- The majority of clients said that their main condition was a physical disability (53%), with over a third (38%) saying it was a mental health condition and just under a third (30%) a long term illness or medical condition
- The vast majority (84%) stated that illness or disability had prevented them from working
- Clients were more than five times as likely as the general population to report being in some form of financial difficulty (62% compared with 11%) . The most common reasons given for financial difficulties were the client's own illness, health problem or disability (83%) as well as low income (69%)
- More than half (57%) had outstanding debts or arrears, and clients were most commonly trying to manage their debts by juggling their finances (50%), seeking advice from agencies such as a CAB (48%) and reducing expenditure (45%)
- The most common extra needs associated with health problems or disabilities were prescription costs/other chemist's items (51%) and transport/mobility needs (49%) – yet less than one third (32%) were exempt from prescription charges and less than one fifth (18%) had a concessionary travel pass
- Clients frequently reported negative experiences of claiming IB and DLA, such as problems with form-filling, difficulties in living on benefit-levels, delays in payment, problems with medical examinations and the detrimental effect of the claiming process on their health
- Those clients who felt that their health would allow them to work again in the future (29%) wanted a range of help and support, including advice, training, job search skills, and work experience. More than half (53%) wanted benefits protection whilst they tried work. Help from employers is also required in the form of workplace support, aids and adaptations and flexibility regarding working terms and conditions.

## CAS proposals for change

A range of measures are needed to address the problems faced by CAB clients with long-term illnesses and disabilities. CAS makes the following recommendations:

- Improve financial support by addressing the current inadequacy of benefit levels and increasing access to alternative sources of credit for people on low incomes
- Improve support for the additional costs associated with illness and disability such as prescription charges, increased energy use and travel costs
- Improve support into employment by ensuring that people are not penalised for trying out work and that available back to work support is tailored towards complex needs
- Improve support for benefits claiming by simplifying the application process for IB and DLA and improving standards of decision-making.

**|| A West of Scotland CAB reports of a client who had been awarded IB following a serious heart operation. However, due to delays in processing his claim, he had not received any payments. Instead he was allocated emergency payments of £40/week. The client had an electricity pre-payment meter that cost at least £15/week – or over a third of his benefit. The bureau reported that the client was in severe financial hardship and feeling suicidal.**

## Case evidence

**|| An East of Scotland CAB reports of a male client who had recently been discharged from psychiatric hospital. The client was in receipt of incapacity benefit but not income support. The client was worse off than he would have been on income support as he did not have entitlement to passported benefits and therefore had to pay all of his prescription charges.**

**|| A West of Scotland CAB reports of a 57 year old female client who had been on IB for 13 years due to depression and a chronic back condition. Over a 14 month period, she was called to undergo three separate medical assessments. On two occasions, she failed to score enough points – once because she was not awarded any points under the mental health criteria, despite having medical evidence supporting her diagnosis of depression. On both occasions, the bureau helped her to appeal successfully.**