

# Social Policy Successes

citizens  
advice  
scotland

Issue 8

This briefing highlights some of the social policy successes achieved by the CAB Service in Scotland from January to June 2006. Thanks to all the bureaux that feed back social policy cases and statistics – none of this could happen without information on the experiences of CABx clients in Scotland.

## Access to justice

- In our evidence session to the Justice 2 Committee on the Legal Profession and Legal Aid (Scotland) Bill, CAS raised concerns about the need for grant funding of legal aid for non solicitors as opposed to case by case funding as outlined in the Bill. As a result of our evidence, not only did the Committee endorse our call for grant funding, but the Deputy Justice Minister Hugh Henry has indicated that he will bring forward an amendment at stage 2 of the Bill to allow for grant funding for non solicitors. This is a welcome improvement on the current situation.
- In a debate on civil justice in the Scottish Parliament in April, the work of the CAB service in providing legal advice and assistance was mentioned by 11 different MSPs across 6 political parties. The debate was marked by a high degree of consensus about the need for reform of civil justice, with the Justice Minister accepting the SNP amendment to ensure that civil justice was accessible and affordable for all.

## Benefits

- CAS has taken the lead – alongside Capability Scotland, Child Poverty Action Group in Scotland and the Poverty Alliance – to co-ordinate a number of organisations in a joint response to the government's proposals for welfare reform. Operating under the name of the Scottish Campaign on Welfare Reform (SCoWR), the group has highlighted areas of common concern including compulsion

and sanctions, adequacy of benefit levels and the lack of resources available for reform. In addition to issuing a letter to all Scottish MPs – signed by over 30 different organisations – SCoWR has also co-ordinated a postcard campaign and held a briefing session at Westminster with Scottish MPs.

- CAS also made a detailed individual response to the green paper on welfare reform. In our response, we highlighted a number of issues relating to the proposed reforms, including concerns that people under 25 would receive a lower level of benefit under the new system. We therefore welcome the fact that amendments to the proposals included in the Bill mean that young people will not be financially penalised in this way during the main phase of the benefit. We remain concerned, however, that the inequity still seems to exist during the 12 week assessment phase, and will continue to campaign on this issue as the Bill passes through parliament.
- CAS has published its latest evidence report, *Paying the price: The real costs of illness and disability for CAB clients*. The report generated good media coverage, including a two-page spread in the Herald's society section. Additionally, partnership organisations have welcomed the report's findings - we have been invited to deliver a presentation on the research at the Scottish Local Government Forum Against Poverty, and will continue to disseminate the findings as widely as possible.

- A report from the Work and Pensions Select Committee about the Jobcentre Plus efficiency drive reflected concerns that CAS had raised in written evidence to the Committee. We focused on problems with telephone claims and the breakdown in local liaison between Jobcentre Plus and bureaux, and were pleased to see these issues included in the final report which commented that, 'the planning and IT processes were not up to the job, and service levels have suffered.' Our concern is for the particularly vulnerable clients that bureaux continue to see whose needs are not being met through the service currently on offer from Jobcentre Plus. CAS also discussed these concerns at a recent meeting with the Jobcentre Plus Director for Scotland and will continue to press for relevant changes to DWP policy and practice.

## Consumer

- In March 2006 the Competition Commission published its final report on store cards. CAS had provided written evidence for the enquiry, highlighting the fact that one in every four debt clients has at least one store card and that APR levels can make the difference between manageable and unmanageable debt. Our concerns were reflected in the report, which concluded that limited competition had led to problems such as high APRs and a significant level of consumer detriment. The report suggested a number of remedies, such as warning cardholders that cheaper credit may be available elsewhere where APRs are 25% or above and displaying better

information about APRs on monthly statements.

- 'Out of Pocket' a report published by the CAB service with input from Scottish CAB, highlighted the impact of fee-charging cash machines on our clients. The CAB service ran a month long campaign to survey the prevalence and impact of the ATMs that charge people to withdraw their own cash. The report identified urban and rural deserts where there are no free ATMs. It also showed that ATMs that charged for withdrawals dominated in deprived areas. As a result of the report, HSBC and the Royal Bank of Scotland have committed to installing free ATMs in a number of Scotland's poorest communities. CAS looks forward to their installment, which will make a difference to clients like the following:

**\* Case Evidence** *A North of Scotland CAB reports of a client who came to the bureau for help with consumer and utility debts. She was trying to manage her budget through making small cash withdrawals from ATMs over the course of the week. However, she and her partner rely on rural public transport meaning that it is not always possible for them to access the free ATMs in the nearest town. In one month, they incurred £13.50 in ATM charges exacerbating their existing financial hardship.*

### Bank charges

- A number of Scottish CAB have reported success in securing refunds of bank charges for clients using a toolkit produced by CAS in conjunction with Govan Law Centre. CAS has been pressing on the issue of excessive and unfair bank charges for some time, through meetings with financial institutions, through media coverage including Radio Scotland and through direct action using the toolkits. CAS welcomed the OFT's findings that credit card and other default charges have been set at levels significantly higher than is legally fair, and charges over £12 will be presumed unfair from now on. This should help clients like the following:

**\* Case Evidence** *A West of Scotland CAB reports of a client who had £175 in bank charges deducted from her £250 wage. She wanted to know if there was a limit to how much the bank could charge in one go as this left her with little to live on. The charges included £35 for being 86 pence overdrawn and £35 for being one day late with a direct debit. The client had challenged these amounts in person at her local branch but was told there were no limits and nothing they could do to help her.*

### Debt

- The Enterprise & Culture Committee produced their stage 1 report on the Bankruptcy and Diligence (Scotland) Bill and made a number of recommendations based on our evidence including the following:-

**Apparent insolvency** –that the Executive completes its considerations of the working group's report as soon as possible and before the completion of the passage of the bill

**Debt Arrangement Schemes** - that the Executive gives consideration to freezing of interest, and permits composition of debts to take place at the beginning of the scheme, and deals with the issue of multiple debts to a single creditor. The Minister has since announced that the DAS scheme will be amended to allow composition of debts and the freezing of interest

**Land attachments** - that the main dwelling house be excluded from this new form of diligence

**Bankruptcy thresholds** - they are not convinced that the £1500 is the correct figure, and have recommended that the Executive consider other ways of defining what the debt threshold should be

**Credit** - that the Scottish Executive should discuss with the UK Government what more can be done to minimise the amount of credit provided to people without the necessary assets to repay the loan

**Debt advice** - that the debt advice and information package be extended to protected trust deeds and advice provided by insolvency practitioners

**Bank arrestments and benefits in bank accounts** – they "have sympathy" with the view that certain benefits and tax credits should be "ring fenced" but aren't sure if the technology/processes exist to achieve it. They recommend that the Executive discusses what would be feasible in this respect with representatives of the banking sector and advice bodies. All of these issues were directly related to the written and verbal evidence given by CAS and our bureau representatives.

### Employment

- The launch of a briefing sheet focusing on the experiences of migrant worker CAB clients living in Scotland received extensive media coverage, including interviews with bureaux on Radio Scotland and STV, and caught the attention of MSPs when the issue was debated in the Scottish Parliament. CAS has been concerned by the increasing volume of issues being reported by bureaux – particularly about those workers moving from the Accession 8 countries. CAS is campaigning for improvements to the infrastructure to help migrant workers establish their rights in relation to employment and housing. We are also looking for adequate language translation services alongside funding to provide information and advice. The issue echoes the concerns of many other agencies across governmental, third sector and business sectors.

### Utilities

CAS has raised concerns over the affordability of water and sewerage charges for many years. We were therefore pleased that Deputy Environment Minister Rhona Brankin announced that from April 2006, anyone in receipt of council tax benefit will get some help with the water and sewerage charges. For people on full council tax benefit this equates to a 25% discount on their water bill, applied automatically by the local authority.

For more information on any of the issues raised in this briefing contact:

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