

Social Policy Successes



This briefing highlights some of the social policy successes achieved by the Citizens Advice Bureaux Service in Scotland from July to December 2006. Many thanks to all the bureaux that fed back social policy cases and statistics – none of this could happen without information on the experiences of Citizens Advice Bureau (CAB) clients in Scotland.

ACCESS TO JUSTICE

Legal Aid Bill

- A stage two amendment to the Legal Profession and Legal Aid (Scotland) Bill enabled non-solicitor organisations such as Citizens Advice Bureaux to access grant funding for the provision of legal advice. This presents a huge opportunity for the CAB Service in Scotland to ensure that hard-to-reach groups get access to legal advice. The amendment followed representations by CAS to the Deputy Minister for Justice and Scottish Parliament's Justice 2 Committee, including giving oral evidence to the committee. CAS is now seeking to ensure that funding is made available on the basis of need rather than demand.

BENEFITS

Freephone numbers for Jobcentre Plus claimants

- Jobcentre Plus has recently announced that it is introducing freephone numbers for use by those who need to contact their services. This follows a freedom of information request which highlighted the fact that Jobcentre Plus made £250,000 out of its local rate (0845) numbers last year. CAS has previously highlighted the cost to claimants of calling 0845 numbers, especially with the increased use of pay-as-you-go mobile phones by low income groups.

Jobcentre Plus reorganisation

- Bureau evidence has highlighted the impact of the roll out of call centres and benefit processing centres on

the CAB service. Bureau clients may need help to access these reorganised services or to sort things out when something goes wrong, and bureau advisers can find it difficult to get through to an appropriate expert to discuss a case. Both these factors have contributed to an increased workload for bureaux. CAS has been pursuing these problems with representatives of Jobcentre Plus in Scotland and will be taking part in a working group set up to address issues around the reorganisation of services.

Crisis loans

- We continue to raise our concerns about access to crisis loans, meeting again with Sir Richard Tilt, the Social Fund Commissioner, and contributing an article to the Independent Review Service's quarterly magazine. Our comments were reflected in the Social Fund Commissioner's annual report for 2005/06, which called for urgent action to address persistent problems in accessing crisis loans caused by the centralised telephone system.

*** Case Evidence** *An East of Scotland CAB reports of a client who spent one and a half hours on hold trying to contact a Jobcentre Plus adviser to discuss his claim for income support. He then spent a further 25 minutes on hold when attempting to get through to the crisis loan department. Having got through to someone, he was put on hold for a further 10 minutes before being cut off. The client stated that he had not eaten in two days.*

CONSUMER

Doorstep lenders

- The Competition Commission concluded, following its inquiry into home credit, that doorstep lenders should provide clearer price information to customers. They should also ensure that the statements they will be required to provide under the new Consumer Credit Act contain information relevant to their customers. CAS has campaigned for clearer price information and statements both when the Consumer Credit Act was being passed and in response to the Competition Commission's consultation on its proposed remedies (for a copy of the response, see www.cas.org.uk/competition/commissionhomecreditremedies.aspx).

Payment Protection Insurance

- CAS has submitted evidence on the mis-selling of payment protection insurance on loans to both the Office of Fair Trading and the Financial Services Authority, following on from a super-complaint raised by Citizens Advice, our sister organisation in England and Wales. As a result of its investigation, the Office of Fair Trading has referred the issue on to the Competition Commission for further examination.

*** Case Evidence** *A North of Scotland CAB reports of a client who had long standing overdraft problems with her bank. When she was working part time, she had taken out a consolidation loan which included a protected payment insurance package with her bank. She left work due to angina but the insurance company would not pay out as angina is not life threatening. Making repayments on the loan has now caused an overdraft problem. The bureau wrote to the bank suggesting that the payment protection insurance was miss-sold to this client. The bureau also requested that the overdraft be written off on the basis that the client was not likely to have sufficient income to actually repay the overdraft without suffering undue hardship.*

DEBT

Debt and Damages – Scottish Law Commission Report

- The Scottish Law Commission has taken on board the concerns expressed by CAS in relation to the impact on debtors and those with rent arrears of proposals to levy compound interest on court-enforced debts. CAS believes that the Commission's recommendation to introduce a prescribed rate for statutory interest on debts, to be set at 1.5% above the Bank of England base rate, is fairer to debtors than the current position.

Bankruptcy and Diligence

- The Bankruptcy and Diligence (Scotland) Act was passed on 30 November. Through a series of meetings, briefings and reports over a number of years, CAS has been influential in relation to some of the key provisions contained within the Act. These include:-

- **Bank arrestment** – introducing a minimum sum of money to be protected when a bank account is frozen to enforce a debt.
- **Advice and information** – which must be provided to debtors prior to a petition being made for sequestration

- **A range of debtor protections under the new diligence of land attachment** – including power to delay the sale if there is a child under 16 in the household
- **Best practice in debt enforcement** – as promoted by a newly created Scottish Civil Enforcement Commission
- **Serving a charge in relation to a debt pursued by summary warrant** – allowing those who meet the relevant criteria to declare themselves apparently insolvent and proceed to bankruptcy
- **Reducing the cost of sequestration** – by having debtor applications go directly to the Accountant in Bankruptcy instead of the Sheriff Court

During the Bill's progress through Parliament, CAS was active in influencing policy through briefings and meetings with MSPs, key civil servants and the Deputy Enterprise Minister. CAS also appeared at evidence sessions and gave briefings and amendments to the lead committee on the Bill.

We worked in partnership with bureau advisers, Shelter and Govan Law Centre as well as the Cross Party Cross Parliamentary Group on Tackling Debt, to gain support for many of our proposals. As a result we were also successful in obtaining a range of concessions including:

- Regulations that will address the issue of access to bankruptcy for low income low asset debtors
- Power to a Sheriff to delay bankruptcy pending the setting up of a debt payment programme under the Debt Arrangement Scheme
- Lay representation to be permitted in bankruptcy proceedings
- The amount of debt owed before a land attachment can be pursued increased from zero to £3,000
- The amount of debt owed before a debtor's home can be sold under a land attachment increased from £1,500 to £3,000

- A report on the impact of land attachments will be considered by the full Parliament within 15 months
- The power to exclude a debtor's home from land attachments in the future
- New court procedure to obtain the release of benefits/tax credits after a bank arrestment
- Regulations to be introduced to allow the freezing of interest and composition of debt under the Debt Arrangement Scheme

UTILITIES

Prepayment Meters

- CAS has been working with energywatch to highlight the problem of fuel companies backdating charges for customers whose prepayment meters have not been recalibrated to reflect price rises. This means that customers run up arrears with their supplier through no fault of their own. CAS also organised an opportunity for ScottishPower and Scottish Gas representatives to meet CAB advisers. On the day of the meeting, Scottish Gas announced that it would not seek to recover backdated charges from customers whose meters were recalibrated on or after 1st December 2006. We are seeking a similar commitment from Scottish Power

*** Case Evidence** *A West of Scotland CAB reports of a client who received a bill from his original supplier, after deciding to change companies. The client did not understand how the bill had arisen, as he had used power cards. When he contacted the company asking for an explanation, he was informed that the tariff had gone up, although the meter had not been adjusted. The client, who had a disability and whose only income was benefits, had specifically used power cards to avoid the possibility of debt, and was going to struggle to pay off the debt in the three months required by his original supplier.*

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