

Coronavirus - the impact on finances



Many people in Derbyshire who are now experiencing financial difficulty were already in a precarious financial situation before coronavirus (COVID-19). Experiencing a short sharp drop in their income has forced many to cut down on essential spending, deplete limited savings and taken on more debt.

Coronavirus has pushed many people into debt which will take them years to get out of. We estimate that it would take the average person we help with debt problems, at least 30 months to pay back just their priority debts assuming they spent their entire disposable income on repayments each month.

Nationally **72%** of the people we have helped between March and July 2020 had less than £100 left after paying their essential living costs.

The Citizens Advice Derbyshire Districts debt team have been agile in responding to helping our clients remotely. Embracing new technology in addition to our phone advice has enabled us to continue providing vital debt advice to our clients. We are open and ready to help the people of Derbyshire face these financial challenges.

Be reassured our friendly advisers are on hand to make sure they find the best solutions. Don't leave it too late to seek help.

The amount of debt Citizens Advice Derbyshire Districts have helped people to deal with during the pandemic (15 March to 31 August 2020) is over £2.5 million.

We have dealt with over 3,940 debt issues and the top five debt themes are:

1. **Council tax arrears**
2. **Credit and store cards**
3. **Unsecured loans**
4. **Fuel debt**
5. **Rent arrears**



Case Study

Client lives with partner and two young children. He had been furloughed and then issued with a redundancy notice. Other than child benefit the client had never accessed the benefit system before and was confused by it and also unable to manage his priority (fuel arrears) and non priority (credit cards) debt which had not been an issue when working.

Adviser identified benefit entitlement and arranged support to claim, they also arranged a food parcel and ongoing school vouchers together with a specialist energy appointment which resulted in lower fuel bills and trust fund information. Further suggestions for reducing expenditure were discussed together with long term options for dealing with their debt. The client advised they were now capable of dealing with things going forward following the advice and the case was closed.

Case Study

Client was living in a refuge following domestic abuse and had numerous health issues as a result of this. Soon after starting the programme she had a total breakdown and the adviser alerted the crisis team. The adviser was a constant source of support during this time and once she was ready, assisted her with budgeting, accessing benefits, submitting a criminal injuries compensation claim and eventually a debt relief order to clear her debts which had accrued whilst in an abusive and coercive relationship. Through a series of workshops her confidence grew to the point where she wanted to give back to the project and help others herself.

"Overall, I feel I have benefitted greatly from these services and not only that, it has helped me overcome personal problems. It has given me the skills and confidence in transitioning back into work and I have been inspired by my experience to hopefully become part of this amazing team to share my learned knowledge and experiences with others." – quote from client



Case Study

Client is aged 70 and lives alone. He has paid off his mortgage but has released equity in the past to help with his finances. There are priority debts (fuel and water) and non priority debts (loans and credit cards). The client is struggling to manage payments and has health problems.

Income maximisation was carried out to ensure that the client was being paid their correct entitlement to benefits and an adviser supported the client with a successful Attendance Allowance application increasing the clients income by **£89.15** which also passported client an entitlement of disability premium on his pension credit of **£66.95**.

Payment plans were made to help the client with his debts and an energy appointment offered to see if the client could get a better deal on his energy.

We encourage people to seek advice early. The sooner they contact us the sooner we can help find solutions.

We are committed to working within the community to provide pro-active and long-term support for our clients.

Call our Adviceline on 0300 456 8390

Lines open Monday to Friday, 9am to 4pm.

(Calls charged as 01 & 02 numbers)