

Desk research findings: Money

Prepared summer 2022, published May 2023



1. COST OF LIVING PRESSURES

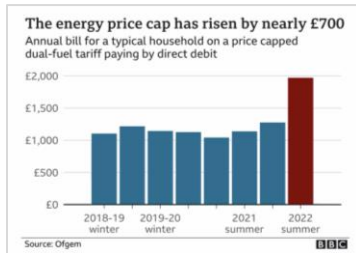
More UK households are struggling to pay their bills and most are reducing household spending



What's driving the crisis?

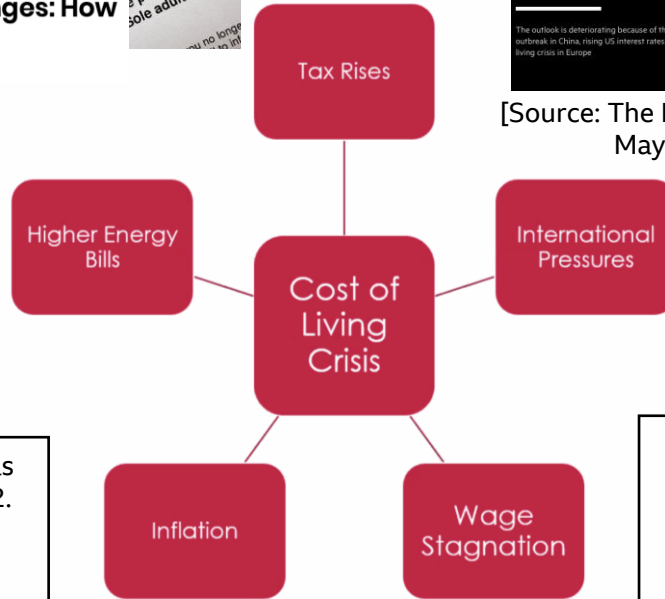
National insurance changes: How they will affect you

Will you be a winner or loser?



UK Consumer price inflation has risen to highest rate since 1992. Currently 7.8%

[Source: ONS, April 2022]



[Source: The Financial Times, May 2022]

IMF cuts global growth forecast over Ukraine war

Economic gains made after recovery from Covid pandemic could be erased, says expert
IMF tells states to protect vulnerable people when tackling Covid debt



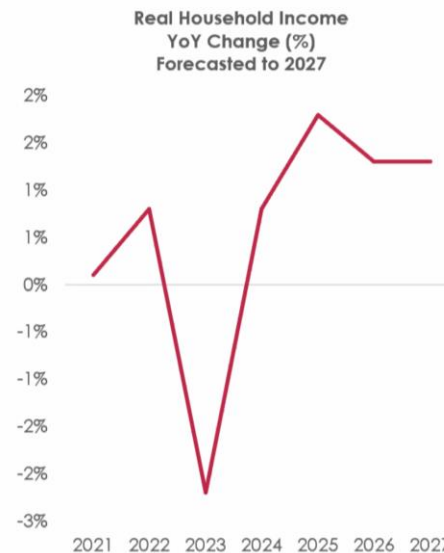
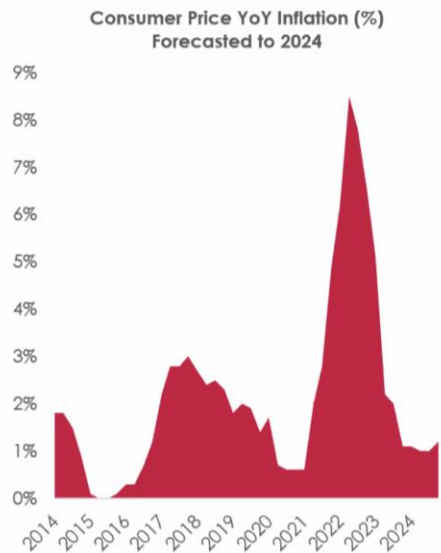
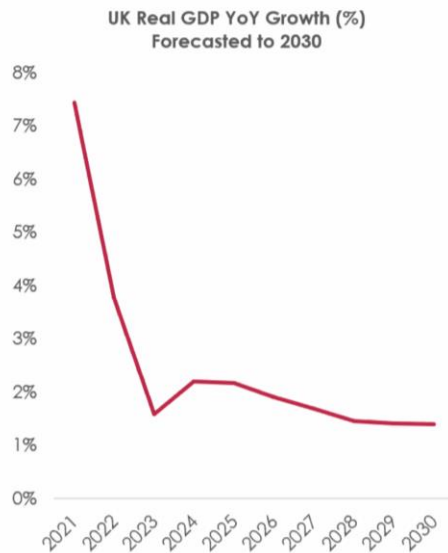
[Source: The Guardian, April 2022]

“Real wages are set to fall for at least the first half of 2022”

[Source: House of Commons Library, March 2022]



Forecasts for a bounce-back are being negatively revised to beyond 2024



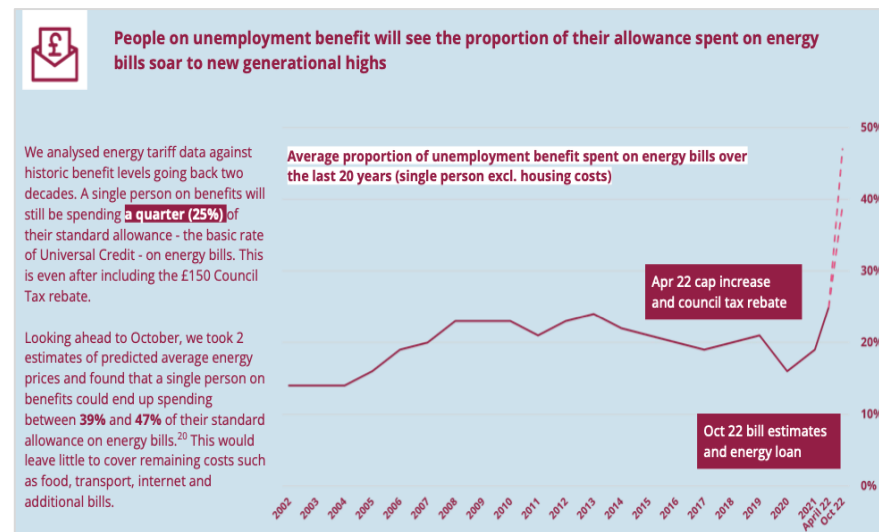
Sources: ONS, OBR, Oxford Economics

Source: ONS, OBR, Oxford Economics quoted by Trajectory

The effects of rising taxes, bills and inflation hit people on low incomes harder than others

CAB report that in April 2022 energy prices increased by 54%, causing average household energy bills of £2000. Simultaneously, general inflation is 7.8%, pushing up many costs including food shopping.

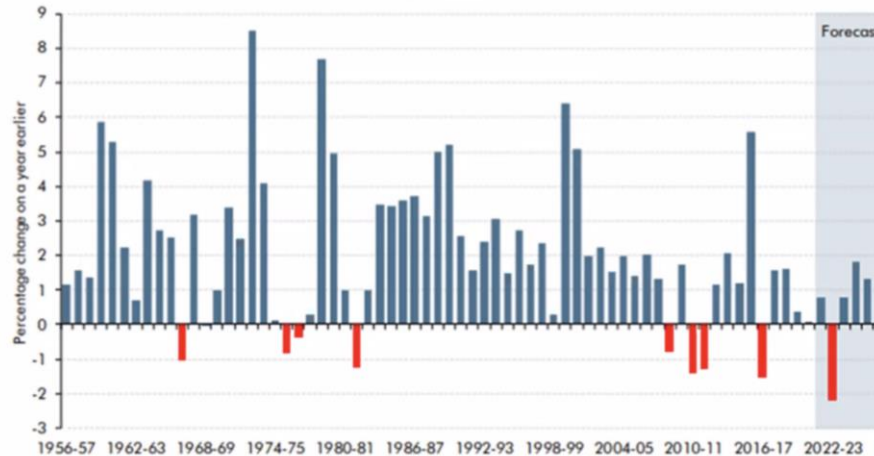
- 5 million people will be unable to afford their energy bill when prices rise in April. 14.5 million will be unable to afford their energy bills from October
- The energy price rises may be so great for those on prepayment meters who are less able to spread the cost of energy throughout the year that they risk being cut off
- Broadband and mobile providers will increase their charges from April, with BT adding £42 per year onto bills [Big Issue, August 2022]



Fall in household disposable income and growing inequality

The OBR predicts that this year UK households will face the biggest fall in real income since ONS records began.

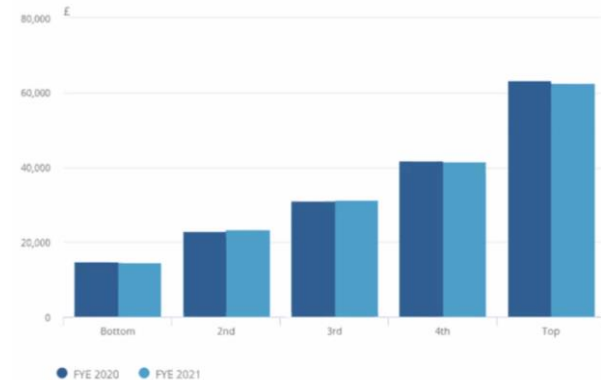
Change in real household disposable income:



Source: ONS, OBR

Whilst income inequality increases

Figure 2: Median income of the poorest fifth of people fell by an average of 2.0%, while the richest fifth of people fell by 1.0%
Median equivalised household disposable income of individuals by quintile group, financial year ending (FYE) 2020 and 2021, UK

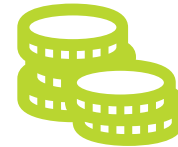


Source: ONS 'Household finances survey' 2021

North of England will be hit harder by the cost of living crisis than the south

According to the economic think tank Centre For Progressive Policy, of the 31 areas across the country most vulnerable to soaring fuel, food and energy prices, 19 are in the north and another eight are in the Midlands. The remaining four are in London.

They predict people living in Middlesbrough, Hull and Blackburn with Darwen will be hit hardest by rising costs, followed by Burnley, Sandwell in the West Midlands and Hyndburn in Lancashire.



Government announced help for vulnerable households in cost of living crisis

The government package will see the most vulnerable households receive £1,200 of support in total this year, with all domestic electricity customers receiving at least £400 to help with their bills. Recent additions to the package include:

- Help with energy bills via the energy bill rebate package GB-wide, worth up to £550 for around 28m households
- £650 cost of living payment for those on benefits
- £300 pensioner cost of living payment
- £150 disability cost of living payment
- Household Support Fund for households not eligible for other kinds of help with essentials (distributed by local authorities)

The changes to NI, fuel duty and energy measures “will mitigate but not offset rising energy bills which will be £1300 year on year increase this October” [Money Saving Expert]

Increasing food costs have hit the poorest hardest

Poverty campaigner Jack Monroe pointed out that price hikes on budget options in supermarkets have a higher impact proportionally on the costs of essentials for poorer families.

- According to Kantar, grocery prices rose at their fastest in 8 years during February, hitting 4.3%
- Monroe's Twitter campaign led to the ONS changing the way it measures the costs of everyday goods in its data, to capture the true scale of price increases for poorer demographics



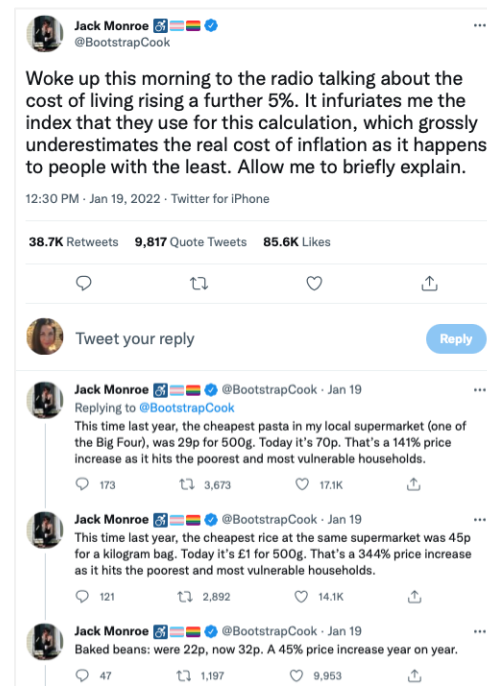
Lower income households have fewest financial options to absorb price rises

“Based on the share of budgets spend on different broad product groups, the annual inflation rate for the poorest 10% of households is estimated at 10.9% in April” [Institute for Fiscal Studies, May 2022]

Energy and food are essentials which take up a larger proportion of the budget of low-income households than other income groups. Low income households tend to live in older, less efficient houses and in colder parts of the country that require more heating .

When food and heating bills rise you can't reduce spending on these areas without incurring harm.

These households are the ones with fewest financial options to absorb these price rises. Higher income houses can use savings, credit cards as a buffer.



Those already struggling with arrears built up during the pandemic are vulnerable renters

Cost of living pressures are hitting renters hard. Many don't have savings to fall back on and while wages remain static, rents are expected to rise this year

- Private renters spend more of their income on housing costs than other groups. Rent growth is at its fastest in 5 years
- Many renters are still struggling with the impact of the pandemic – approx. 425,000 renters in the UK fell behind on their rent in January 2022. Renters owe an average of £937 in rent arrears
- Those in rent arrears are more likely to be behind on household bills too





2. INEQUALITY OF POVERTY

Intersectional characteristics cause inequalities in poverty and disparities between men and women's experiences of poverty



Consider that poverty is a temporary experience for some, and long term for others

“Poverty means not being able to heat your home, pay your rent, or buy the essentials for your children. It means waking up every day facing insecurity, uncertainty, and impossible decisions about money. It means facing marginalisation – and even discrimination – because of your financial circumstances. The stress it causes can lead to problems that deprive people of the chance to play a full part in society”

[Source: Joseph Rowntree Foundation ‘What is poverty?’]

We should consider that poverty is not quite the same thing as having low income. People and families can have different fixed costs to contend with as well, like childcare, housing and costs associated with disability, as well as different levels of savings or assets to draw upon.

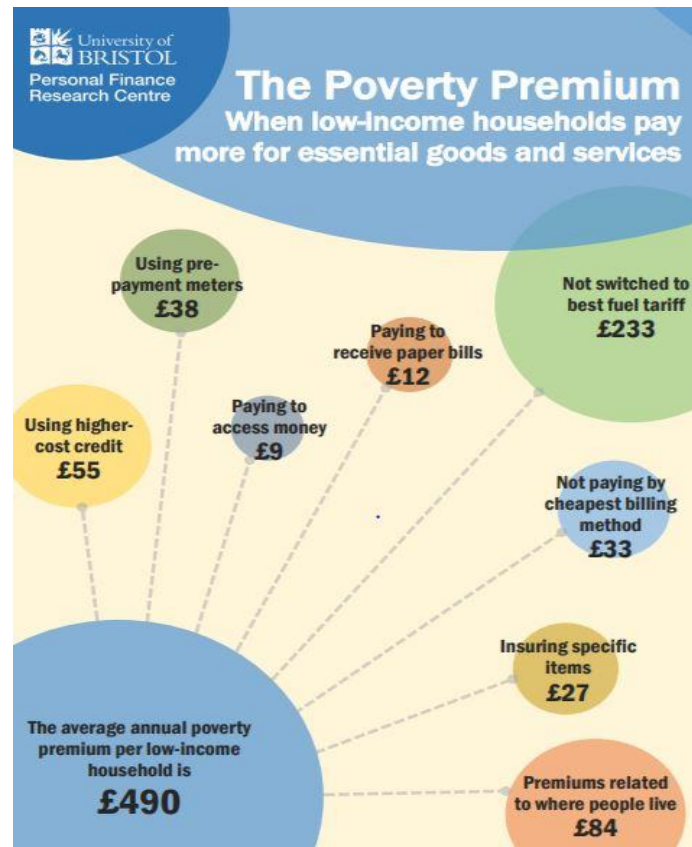
There’s no single best measure of poverty. Some measures are just about people’s incomes, others take housing costs into account, and the essentials people need for a decent standard of living, like warm clothing. Others try to bring fixed costs and savings into the mix as well.



The 'poverty premium' maintains inequality and contributes to long term poverty

The premium is “the extra cost that households on low incomes incur when purchasing the same services as households on higher incomes”

“The poorer you are, the poorer you will become”



Higher levels of poverty among women than men are due to two income related factors

21% of adult women are living in poverty vs. 19% of adult men [Women's Budget Group, 2018]

1. Women earn less than men

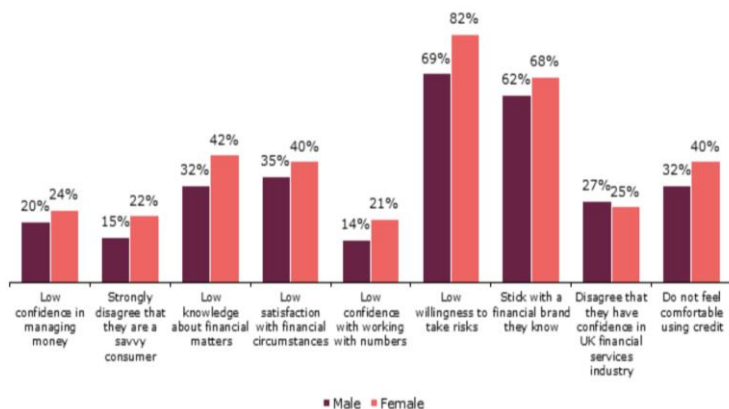


2. Women lose income as a consequence of caring responsibilities



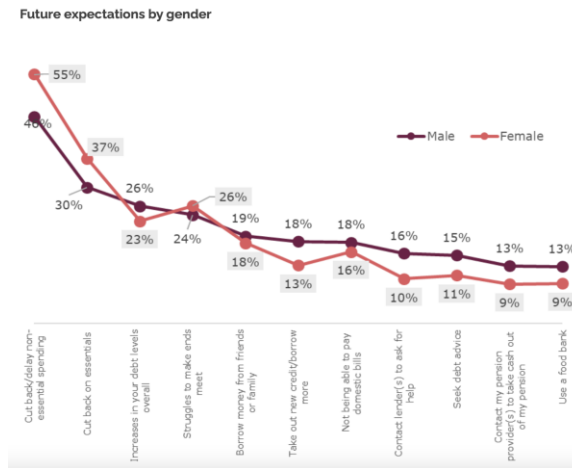
Women have lower financial confidence and are less likely to use credit products than men

Women score themselves as being less confident about financial services, but underlying differences such as income and education mean that a higher proportion of women report lower confidence and knowledge about finance



Source: Financial Lives survey 2020 – Base: All UK consumers (16,190), excluding 'don't know' responses

A higher proportion of men have a credit card (72% compared to 64% of women) and personal loans (17% compared to 14%). When responding to a worsening financial situation, men are more likely to increase borrowing while women cut back on spending.



If a lone-parent household is headed by a woman than a man they have twice the poverty rate

Nearly half of single parent families (48%) are in poverty – around twice the level of couple households (24%) – and the majority of these households (86%) are headed by women (Women’s Budget Group, 2018a). T

This is not just about the financial pressure of running a household with children on your own, however, as evidence suggests that male-led single parent households are far less likely to be in poverty than female-led ones. Dermott and Pantazis (2014), when applying the PSE poverty measure³⁷ (ibid p.9), found that female lone parent households had twice the poverty rate of male lone parents (64% cf. 31%).

More women than men are financially vulnerable, especially if they're from ethnic minorities and/or single parents

FCA surveys showed that before the pandemic a **higher proportion of women than men displayed characteristics of vulnerability – 51% compared to 40%**. The gap was greater between **women from ethnic minorities** and men from ethnic minorities – 56% and 44% - compared to the gap between White women and White men – 51% and 44%.

The pandemic has had a different effect on men and women. FCA surveys show that overall, one in three (31%) UK adults experienced a drop in their household income between March and October 2020. But the way in which income was reduced differed. For example: **9% of single parents (62% of whom are women)** say they have had to cut their hours or stop working to care for children or others.

Who are vulnerable customers?

A vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm - particularly when a firm is not acting with appropriate levels of care.

Our view of vulnerability is as a spectrum of risk. All customers are at risk of becoming vulnerable, but this risk is increased by having characteristics of vulnerability. These could be poor health, such as cognitive impairment, life events such as new caring responsibilities, low resilience to cope with financial or emotional shocks and low capability, such as poor literacy or numeracy skills.



Disabled people face higher non-optional costs

The extra costs faced by disabled people for powering essential equipment, such as powered chairs and breathing equipment, add up to £583 a month on average [Scope, 2022]

Personal Independence Payment (PIP) is the main benefit, but it's falling behind inflationary increases. The Household Support Fund – designed to help with food, utilities and clothing – may provide some relieve but it's not targeted at disabled people who are struggling the most.

Scope's [Disability Energy Support Service](#) has seen an increase in calls:

Disabled people and their families need support

Our Disability Energy Support service has seen a 500% increase in the number of referrals, compared to the same time last year.

In September 2022 alone 44,000 people accessed our advice and support for cost of living. A 72% increase compared to this time last year.



The more protected characteristics a person has, the more risk they bear of poverty

“Covid-19 has thrown light on the link between insecure work, low incomes and protected characteristics”

Characteristics with increased risk of poverty in the UK:

- Race
- Sex (in the case of single mothers)
- Disability
- Age (in relation to younger workers)

Intersectionality plays a large role. And certain groups with protected characteristics are more vulnerable, even compared to low-income households as a whole.

The following slide (slide29) shows a table with the impact of intersectionality on poverty premiums incurred. For example – the intersectionality of sex with other protected characteristics such as age, race, disability increases vulnerability and risk of poverty.

Higher 'poverty premiums' incurred by protected characteristic

	RACE	SEX (Lone parents)	AGE Under 35s	AGE 65+	DISABILITY
<i>Non-standard payment methods (energy)</i>	✓	✓	✓		✓
<i>Costly tariffs (energy)</i>			✓	[✓]*	
<i>Geographical based premium</i>	✓				
<i>Risk of underinsurance</i>	✓	✓	✓		✓
<i>High cost credit premium</i>		✓	✓		

* evidence on connection is weak



Protected characteristics can overlap to heighten the impact of gendered poverty

Women, particularly single mothers, are more reliant on benefits as part of income, and consequently vulnerable to welfare cuts.

For **Black women** there is a higher chance of being a single parent, of working in low paid jobs, and **Black, Pakistani and Bangladeshi** households are more likely to have dependent children – thus more vulnerable to cuts to Universal Credit.

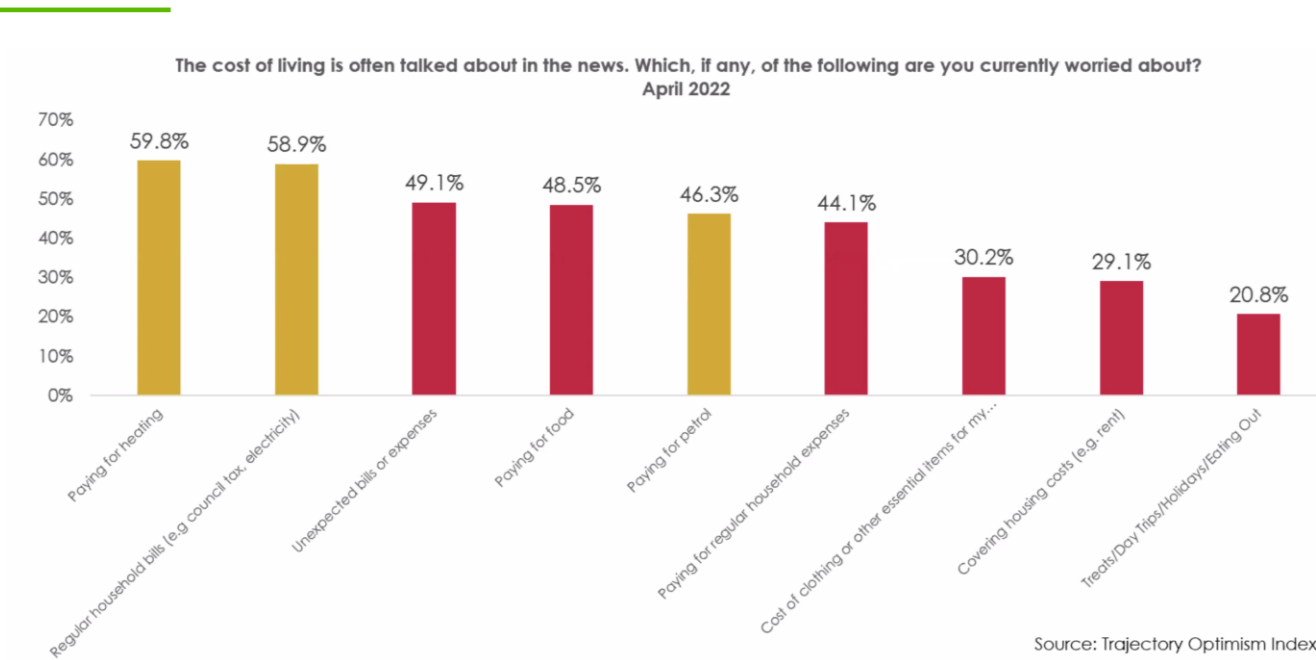
Women with **disabilities** are also lower paid on average, and disabled lone mothers are likely to lose out from welfare and benefits cuts as well.

3. HOUSEHOLD FINANCE DECISION MAKING

Prioritisation of bills and support offered/ sought



Energy costs are one of the concerns people have about the cost of living crisis

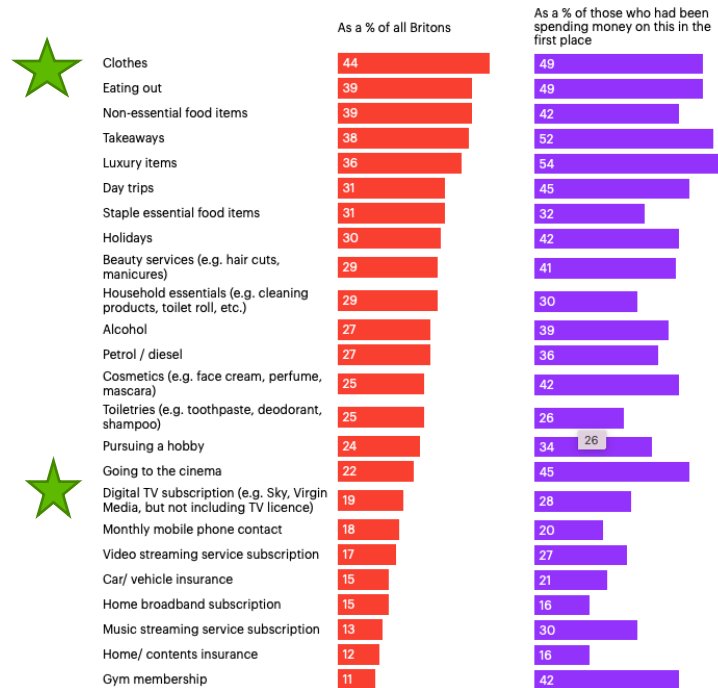




Households have cut back on clothing and non-essential food spending

Cost of living: what have Britons had to cut back on?

Over the last six months (i.e. since November 2021), have you been forced to make cutbacks in terms of your household spending on the following? % of people who have been forced to any of: stop spending money on this altogether; reduce the amount they spend on this by buying it/ doing it less frequently; or reduced the amount they spend on this by switching to a cheaper alternative/s

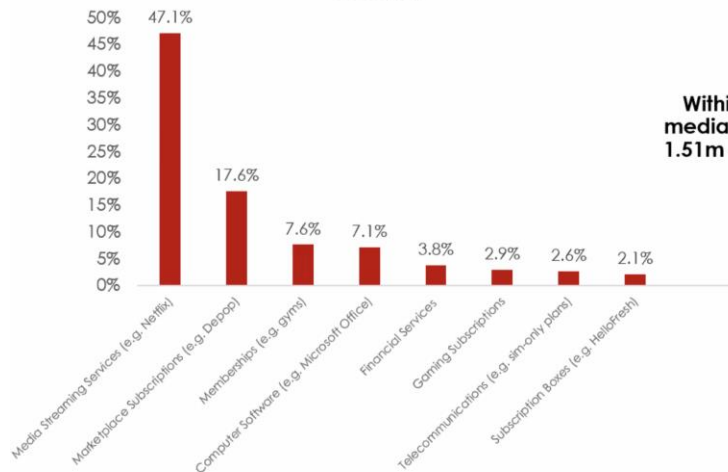




Customers are cancelling media streaming subscriptions

Amongst Lloyds Bank customers alone, the last 6 months have seen 1.2 million subscriptions cancelled – with the majority of these in media streaming.

Product Type as % of Total Cancellations Amongst Lloyds Bank Customers



Sources: Lloyds Bank Customer Survey



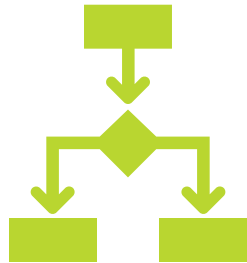
Within the UK, the number of cancellations of media streaming services in Q1 of 2022 reached 1.51m – far outweighing the 1.29m new sign-ups.

Of consumers planning to cancel subscriptions in March, 38% were due to “wanting to save money” (highest ever proportion)

Besides mounting cancellations, the early months of 2022 saw the lowest ever rate of new subscribers

Source: BBC News quoting Kantar report, April 2022

Hierarchy of bills to pay vs. going without



Many audiences with protected characteristics, e.g. women who are single parents and people with mental health problems, are forced to 'do without' services.

“Going without is the flip side of paying a poverty premium... There are slightly higher levels of material deprivation through unaffordability among women than men [according to Bennett and Daly, 2014]”... Women are more likely than men to be using debt to purchase everyday necessities – 61% of those doing so were women [Source: Step Change, 2017]

Only 1/3 of people with mental health problems have home insurance (vs. $\frac{3}{4}$ of population overall), which can lead to further costs/ credit debt to cover any stolen items. And 1/3 do not have broadband.

Digital capability impacts ability to access ‘the best deals’ and avoid the poverty premium

Whilst these are pre-pandemic figures, the trend was access to the internet was lower in the most deprived areas, social rented housing and households with a low income

In the UK in 2019 half of internet non-users were over 75 years old, and 56% of adult internet non-users were disabled (ONS, 2019)

Homeowners and private renters were twice as likely as social renters to purchase goods/ services over the internet.

Slightly more men than women have stopped spending on TV subscriptions

	Gender		Age					Social Grade		
	Male	Female	18-24	25-34	35-44	45-54	55+	ABC1	C2DE	
Digital television subscription (e.g. Sky, Virgin Media, but not including TV licence)										
Unweighted base	2173	1007	1166	146	350	422	324	931	1301	872
Base: All GB Adults	2173	1054	1119	241	342	408	321	862	1239	934
I have stopped buying/ spending money on this altogether	6%	6%	5%	8%	5%	7%	4%	5%	6%	5%
I have reduced the amount I spend on this by switching to a cheaper alternative/s	12%	13%	12%	8%	14%	20%	14%	9%	12%	13%
I have switched to a pay-as-you-go version	1%	1%	1%	3%	3%	1%	2%	0%	2%	1%
I have made cutbacks, but not because I was forced to do so	6%	7%	6%	5%	7%	9%	8%	4%	7%	6%
I have not made any cutbacks on this	40%	41%	39%	29%	31%	37%	45%	47%	42%	38%
Don't know	3%	3%	3%	9%	4%	2%	3%	1%	2%	3%
Not applicable - I was not spending money on this item	32%	30%	34%	39%	38%	26%	25%	34%	31%	34%

Support for households struggling with bills

Money advice organisations

Help people get support from the government, via national/ local charities, get help with debt, prioritise bills and reduce living costs, e.g.



Consumer portals

Online money advice, tips on consumer rights and cutting costs, e.g.



Debt help

Services that offer debt counselling and practical debt solutions, e.g.



Borrowing/ credit

Buy Now Pay Later has expanded as consumers aim to pay for purchases at a later date, e.g.

Buy now.
Pay later.
No fees.



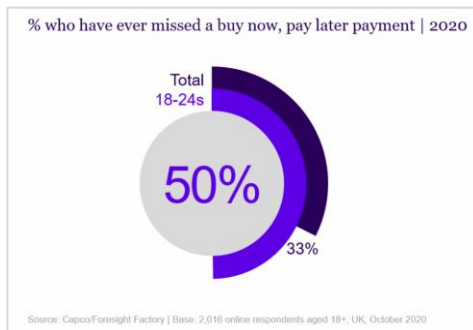
'Buy now, pay later' has increased, but consumers don't see it as credit

BNPL by providers such as Klarna and Clearpay are a form of credit offering shoppers to pay for purchases in instalments or at a later date, interest free. Popular with consumers for their flexibility, there's a risk vulnerable customers can fall into debt, until industry regulation is tightened.

"BNPL users we interviewed did not think of it as a form of credit – instead, they described them as a 'way to pay' or 'money management tool'. This meant they could unwittingly be exposing themselves to a range of problems if they failed to pay back on time, such as late fees, or black marks on their credit report, or their case referred to a debt collector"

[Which, Jan 2022]

Over one third of UK consumers say they missed a payment in 2020, higher amongst 18-24 year olds.



1 in 10 BNPL users have been chased by debt collectors in the last year

Whether or not BNPL providers charge late fees, problems with missing or making late payments can have serious consequences.

1 in 4 people who missed a BNPL payment ended up in contact with debt collectors.

Being chased by debt collectors for BNPL purchases significantly impacts people's everyday lives

96% of people facing debt collection for BNPL debts reported at least one negative impact.



54%

turned to other forms of borrowing to pay off their debt eg. a credit card or loan



46%

had sleepless nights



40%

ignored texts, emails, letters or calls in case they were about their debts

Charities and support services are raising awareness of the impact of debt and helping those in need

Bankrupt of England: McCann and debt charity

Money Buddies launch campaign amid cost of

living crisis



Money Buddies OOH and social posts feature a QR code which users scan to donate. The charity provides free debt advice and support, such as helping with free legal advice which could halt bailiff, energy disconnection and court action

**Money
Helper**

Paying your TV Licence



Talk to
us live

Keeping up with your TV Licence payments is important as it's considered a priority debt. TV Licensing can issue fines or take you to court for failing to pay. If you're struggling to pay, find out the options available.

What's in this guide

[What do I do if I'm struggling to pay my TV Licence? ↓](#)

[How you can cancel your TV Licence and get money back ↓](#)

[What if I've already missed a payment? ↓](#)

[I can't afford to make my next Direct Debit payment - what should I do? ↓](#)

[I'm over 75 and can't afford to pay my TV Licence ↓](#)

Practical help from Money Helper is run by Money and Pensions Service (MaPS) which is sponsored by the DWP and engages with HM Treasury on policy matters related to financial capability and debt advice

Help with debt and the mental health impact of financial stress is offered for free via multiple channels

LifeSkills

Created with BARCLAYS

Should I tell my bank?

Mental Health support

- Mind - support and helplines
- NHS online resources
- Mental Health Foundation


Financial Support

- Citizens Advice
- Step Change debt charity
- National Debtline
- Money Advice Service
- Barclays – Keeping your spending and mental health in check


Welcome to PayPlan

Take advantage of free debt advice

PayPlan provide solutions for people who have multiple debts. Choose how you'd like to speak to us and begin your journey today.



Start online now
Answer a few simple questions and speak to an adviser over the phone or live chat.




Live Chat
Speak to an adviser on live chat and go at your own pace.

Hi, let us know if you have any questions.

Chat now Just browsing

0800 280 2816

Write a message...



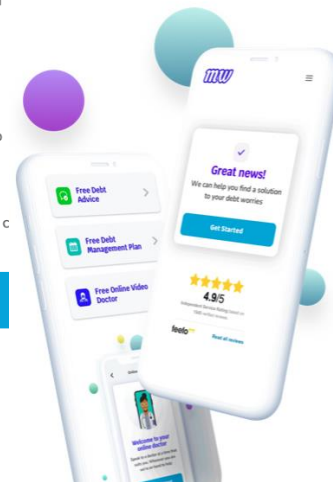
 Money Wellness

Live more. Stress less.

- ✓ Free confidential debt advice and ongoing support
- ✓ Budgeting tips and tools to help your money go further
- ✓ Access to free counselling to help improve **your** financial wellbeing

Try our quick questionnaire to see if we can reduce your money worries

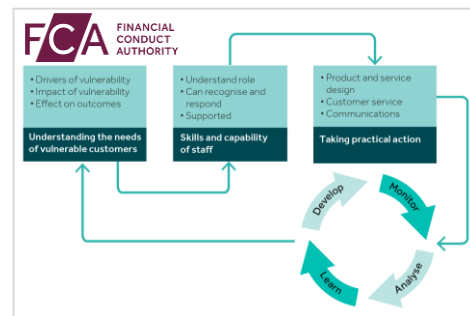
[Get Started](#)



Organisations are navigating appropriate ways to chase struggling customers

Many people are reluctant to speak about money difficulties and health issues. With that in mind, there's guidance on how to chase those who may be struggling:

- The **National Debtline** makes users aware that creditors must follow guidelines when dealing with customers that need extra support, e.g. if a creditor is made aware a person is experiencing mental health issues they may decide to put debt collection on hold for a time, or use specialist staff to deal with the case
- The **National Debtline** and **Money and Pensions Services** are just two platforms that provide advice on options, rights and tools (e.g. letter templates) to help people with health issues deal with companies chasing them for debts
- The **Financial Conduct Authority** regulates organisations' treatment of vulnerable customers in arrears. There are specific guidelines for creditors dealing with customers who have mental health conditions published by the **Money Advice Liaison Group**.



**GOOD PRACTICE
AWARENESS GUIDELINES**

for helping consumers with mental health conditions and debt

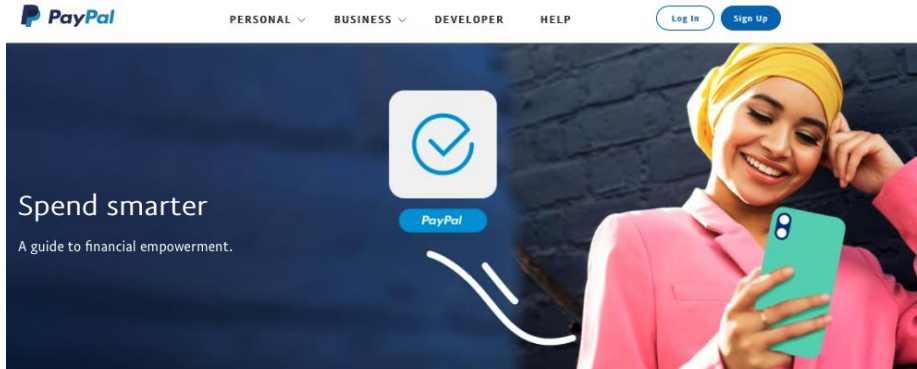
APPENDIX



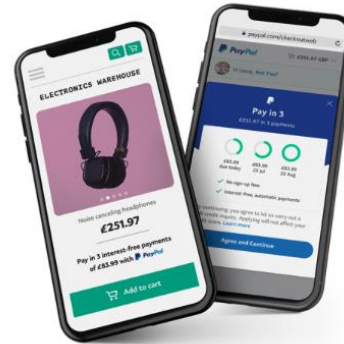
SUPPORT FROM BRANDS

HELP FOR THOSE STRUGGLING TO PAY

PayPal – focus on educating about financial wellbeing and avoiding irresponsible debt



PayPal engages customers with cashflow management tips and tools to encourage responsible spending, spreading payments or delaying them until payday. This has built trust and loyalty



Pay in 3: Easy as 1-2-3...

- 1 Check out with PayPal
- 2 Choose "Pay in 3" and complete your purchase.
- 3 Make the first payment now, the rest in two payments every month on the same date.

BNPL products work when *consumers feel in control*, have *visibility* of how delaying payments can affect future debt and BNPL is used as part of their budgeting toolkit to make their money stretch further

Brands providing financial wellbeing



Financial wellbeing: banks are partnering with ‘fin-fluencers’ to take financial advice out of the bank and into social media. Followers who see someone in the same situation will be more likely to trust asking more personal questions

e.g. **Yolt** app uses neuroscience and psychological insights to help customers make better financial decisions



Breaking taboos: campaigns that destigmatise discussion of finances by featuring difficult topics like debt spirals in the open help consumers feel more comfortable. Making customer service channels easier for customers to open up in helps them feel more confident to get in touch. E.g. specific phone line to talk about these issues

Helping minority communities: brands are considering how to engage beyond the mainstream, to support everyone in society

e.g. **Smartpurse** is a financial education platform that aims to make women more financially savvy

smartpurse

We are a unique financial wellness platform providing the inspiration, impartial knowledge and tools women need to take charge of their financial future and live more fulfilling and independent lives.

Financial literacy: brands are offering educational resources and communities for sharing knowledge. They’re partnering with workplaces, schools and universities to offer financial wellbeing lessons

Thames Water – an array of tangible support

“We know covid is affecting incomes, so you can pause your payments for up to 3 months and pay them back later” (Flexible Payment Method)

Other help:

WAYS TO SPREAD THE COST

- “If you’re unable to pay in full, you can split the amount into more manageable instalments – weekly, fortnightly or monthly - at no extra cost”.

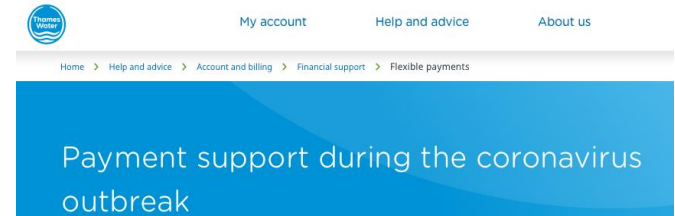
A WATER METER TO CONTROL COSTS - “If you live on your own, have a small family or pay a high fixed bill you could save quite a bit.”

ADVICE ON REDUCING YOUR BILL

- “Lots of advice on our website about how to use water wisely to reduce your bill”

FINANCIAL SUPPORT

- Discounted bills (WaterHelp scheme)
- Capped bills (WaterSure if you have a meter, receive benefits & use extra water for a health condition or large family)
- Help to pay off outstanding debt if you meet the eligibility criteria”





BT Home Essentials “For people struggling to pay their broadband”

BT’s standard response to request for help with bill:

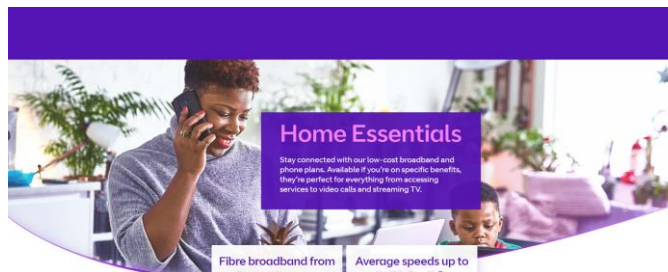


Can I have more time to pay my bill?

We'll do everything we can to help. Speaking to us early will help prevent late payment charges and possible restrictions to your account. If you owe money now you'll probably have to pay part of your bill first. You can pay your bill immediately online with a credit or debit card. It's secure, quick and easy. [Pay your bill now >](#)
You can contact us on 0800 800 150 to discuss your options.

You can switch to BT’s Home Essentials plan if you get any of the following and you don’t live in Hull:

- Universal Credit
- Pension Credit - you must get the Guarantee Credit element
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support



Fibre broadband from £15 per month
Plus £9.99 M&P. Or get a call-only plan for £10 a month.

Average speeds up to 67Mb
Enter your postcode below to see what speeds you could get.

12 month contract
No early exit fees, so you're not tied in if your circumstances change.

Instant online check
With our eligibility check, you'll find out immediately if you qualify.

Who can get BT Home Essentials?

New or existing BT customers can apply. You'll also need to be receiving one of these benefits to qualify:

- Universal Credit (all claimants)
- Pension Credit (Guarantee Credit)
- Employment and Support Allowance
- Jobseeker's Allowance
- Income Support

Don't forget you'll need your National Insurance number when you order, so we can check you're eligible.

Home Essentials broadband includes:

Guaranteed speeds

Get the speeds we promise or £20 back with our Stay Fast Guarantee.

Strong, reliable wi-fi

Get a great connection with our powerful Which? Best Buy Smart Hub.



Unlimited broadband

With no data caps or download limits, you can do as much as you like online.

Security as standard

Our 3,000 security experts work 24/7 to help protect you and our network from cyber attacks.

How do I get Home Essentials?



If you qualify, you'll get Home Essentials for a year, even if you come off benefits.

After 12 months, we'll run another eligibility check. If you still qualify, we'll keep you on the same plan. If anything's changed, we'll let you know.

Can be paid:

- By Direct Debit
- online (debit or credit card)
- by phone (debit or credit card)
- by bank transfer
- at a PayPoint



British Gas – empathetic approach. Acknowledges hardship caused by Covid and demonstrates help: *“Last year, we helped 300,000 customers manage their debt, & we’re here for you too”*

Ways we can help

We can help in all sorts of ways. And our friendly advisers will talk you through all your options to find one that's right for you.

Once we understand your situation we can

- See if you can pay your bill by instalments
- Find a better payment method or tariff for you
- Advise you how to reduce the energy you use (to save you money)
- Make budgeting easier by installing a free [pay as you go meter](#) at your property
- Check if the Fuel Direct scheme can help you pay a manageable weekly amount straight from your benefits



Help for our vulnerable customers

If you need extra help managing your account, like having your bills in Braille or getting a hand with meter readings, let us know by signing up to the [Priority Services Register](#).

You can sign up to the Priority Services Register if you

- Are over 65
- Have a disability or long-term illness
- Rely on medical equipment in your home
- Have a child or children under the age of five
- Have gone through a recent bereavement, break-up or job loss
- Are recovering from a hospital treatment
- Are living independently for the first time

Things to tell us

We know it's not always easy to pay your bill – and that every circumstance is different. So don't be afraid to tell us why you're struggling and we'll do everything we can to support you.

Please let us know if

- Your income has been affected by Covid-19
- Your financial circumstances have changed
- You need more time to pay
- You're elderly, have a disability or a long-term illness
- You're renting, the debt is in your landlord's name and you're not responsible for your gas or electricity (and also tell your local authority)
- Or you claim benefits

Tailored journey to find the right help:

Help when you need it most.

A solution to **suit you**

Just answer few simple questions and we'll **find a solution** that works for you.

[See your options →](#)

Nationwide – focus on charity referral

Money worries

If things seem tough right now, we're here to help you get back on track.

Our promise to members means we'll always

- ✓ be open and honest with you
- ✓ treat you as an individual and look at your unique situation
- ✓ make everything simple while finding a solution that works for you
- ✓ explain what you need to know, so you can make an informed decision
- ✓ let you know who else can help you

Let's get you to the right place

Whatever you're facing, it's important we get you to the right place, first time.

If you're just after some helpful information, take a look at our [guide to improving your finances](#).

Otherwise, let's start with a few simple questions to understand your situation.

[Get help now](#)

Just answer a few questions about why you're here.

Are you here about your Nationwide mortgage?

Yes

No

So are you here about any of these Nationwide products?

Credit card

Loan

Overdraft

Two or all of these products

Okay, have you missed a credit card payment?

Yes

No

Do you plan to repay this in the next 6 months without missing any other payments to us?

Yes

No

Are you behind on any more debt payments with any other lender? For example, this could be a credit card, loan or overdraft payment.

Yes

No

Choose who you'd like to help you

StepChange Debt Charity

StepChange helps over 630,000 people a year deal with their money worries and take back control of their lives.

- Free, impartial debt advice and solutions online and by phone.
- A range of solutions to suit your needs.
- Support for as long as you need it.

[Get help from StepChange](#)

PayPlan

PayPlan is one of the UK's leading free debt advice providers, offering help and support in a way that works for you.

- 100% confidential and impartial debt advice online or by phone.
- Help to become debt-free.
- Everything explained in a simple, straightforward way.

[Get help from PayPlan](#)

If you'd like to speak to us

We'll be happy to talk things through with you.

Call us

📞 0800 464 30 50 (UK)

Useful information

🕒 Monday to Friday 8am - 8pm
Saturday 8am - 5pm



ETHNICITY & PAYMENT BEHAVIOUR

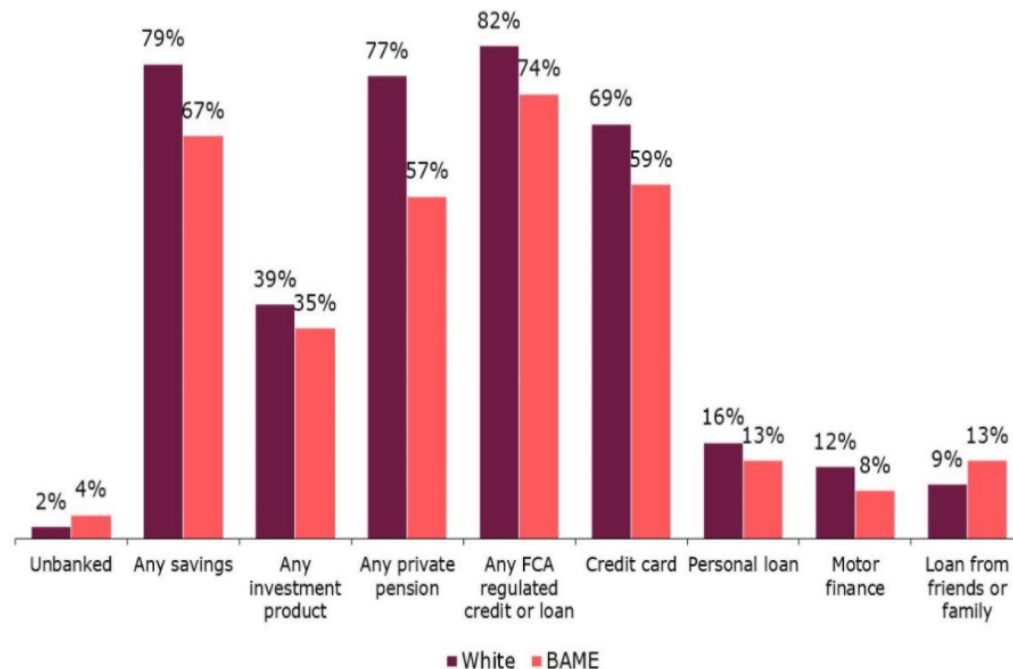


Differences in product ownership before Covid, February 2020

A particular feature of the crisis has been the disproportionate impact of the disease on people from black, Asian, and minority ethnic (BAME) communities.

New research from IPPR suggests that these groups may also be particularly vulnerable to increased debt and financial hardship as a result of Covid-19 and the economic lockdown.

This in turn may reflect long-term inequalities such as the 'ethnicity pay gap' (ONS 2019) and unequal access to employment; these may make it harder to build up a financial 'safety net' of savings and wealth through higher earnings.



Source: Financial Lives survey 2020 – Base: All UK consumers (16,190)

Source: Financial Conduct Authority, “Financial Lives Survey”, 2020



Figure 5: Ethnic groups and their views on the likelihood of not meeting financial commitments in the next three months.



Source: IPPR analysis of Understanding Society Covid Wave 2. “Not meeting financial commitments” refers to individuals saying that they expect to “have difficulty paying their usual bills and expenses”.

How Do Consumers Make Their Payment Choices?

Joanna Stavins

Connolly and Stavins (2015) found that age, education, and income are especially strongly correlated with both adoption and use of most payment instruments in the United States, while race was strongly correlated with use.

Cash was used most heavily by young, black, least-educated and lowest-income consumers, while credit cards were used mostly by older, wealthier, and more-educated individuals.

The effect of income and demographic attributes on consumer payment behavior remains fairly stable over a multi-year period, even after controlling for all the other attributes.

In particular, age is correlated with check use, but is inversely correlated with debit card use.

- As Connolly and Stavins (2015) showed based on summary statistics, regression results indicate that black consumers use more cash and prepaid cards, but use credit cards less.
- Education has a very strong effect on the use of cash (negative) and credit cards (positive).
- Men use cash much more intensively than women do.
- Most of the studies mentioned here consistently find that younger people use more debit, older people use more checks, and higher-income consumers tend to rely more heavily on credit cards.



DISABILITY & PAYMENT BEHAVIOUR



One in twenty (5%) UK adults have a physical or mental health condition or illness that has lasted or is expected to last 12 months or more that reduces their ability to carry out day-to-day activities. This may in turn affect their ability to access or understand financial services

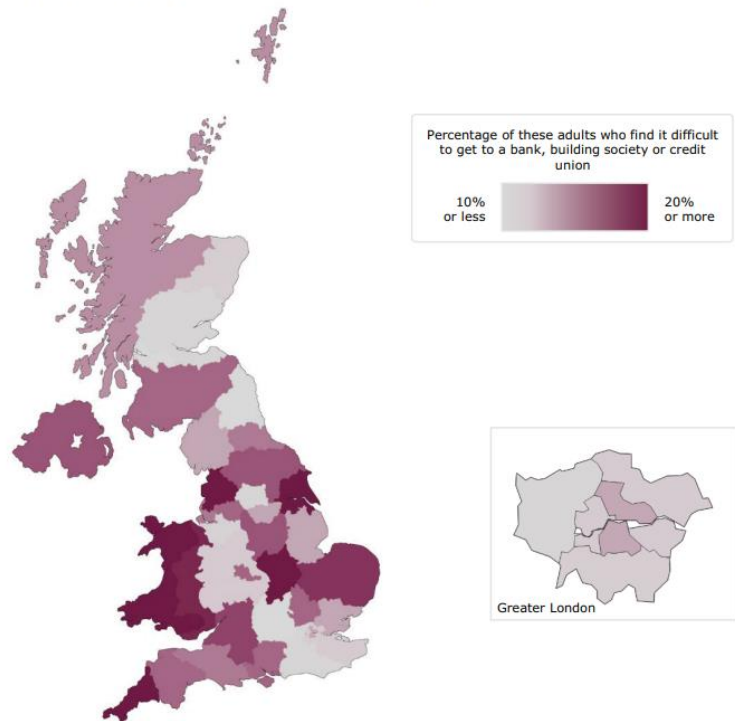
Covid-19 appears to be having a significant impact on mental health. In October 2020, 18% of UK adults told us they currently had a mental health condition or illness, up from 12% in February 2020. There appears to be a link between mental health and experiences since the start of the pandemic.

Having a mental health condition can result in a range of difficulties when dealing with financial services. For example, of the 3% of all UK adults who told us in early 2020 that they have a mental health condition that reduces their ability to carry out day-to-day activities a lot:

- 63% have problems with debt or their ability to manage money
- 56% find interacting with financial services providers difficult
- 37% are anxious to shop around for financial products or services in case they make a mistake
- Adults with a mental health condition have higher average unsecured debt levels than other adults. They are also more likely to be over-indebted

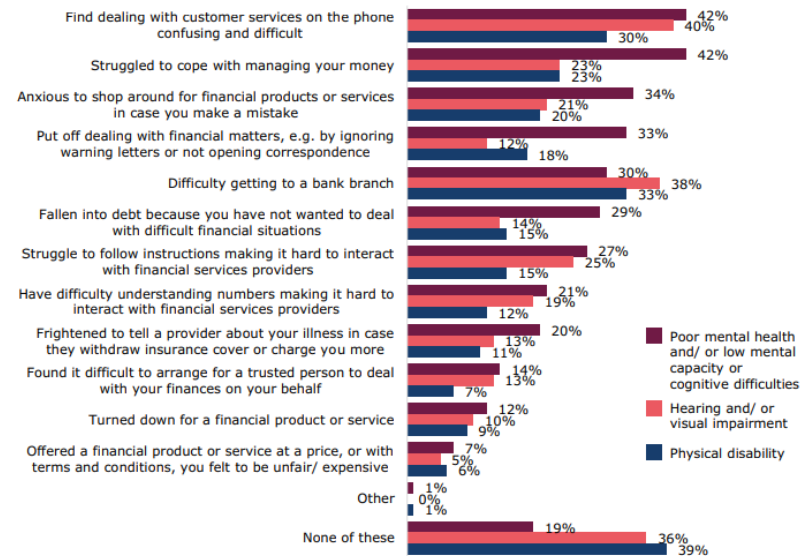


Map 5.1: Proportion of adults aged 55+, or younger and have a health condition or illness lasting or expected to last for 12 months or longer, who find it difficult to get to a bank, building society or credit union by area (Feb 2020)



Source: FLS Feb 2020 **Base:** All UK adults aged 55 or over, or younger and have a health condition or illness lasting or expected to last for 12 months or longer (Feb 2020:8,266) **Question:** D15bsum1. Using your normal forms of transport, how easy or difficult is it for you to get to a bank, building society or credit union? **Notes:** The areas of the map are based on NUTS 2. Base sizes for each area are at least 30.

Figure 3.10: Difficulties faced by adults who show characteristics of vulnerability related to their health by type of condition (Feb 2020)



Source: FLS Feb 2020 **Base:** All UK adults with physical or mental health condition(s)/illness(es) lasting or expected to last 12 months or more which reduces their ability to carry out day-to-day activities a lot (Feb 2020:872) excluding 'don't know' (4%) and 'prefer not to say' (4%) responses – and affecting their physical disability; their hearing and/or visual impairment, or meaning they have poor mental health and/or low mental capacity or cognitive difficulties **Question:** D35b (Rebased) For some people, their condition or illness can result in a range of issues when dealing with financial services. Have you experienced any of the following issues specifically due to your condition(s) or illness(es)?