



Institute of Money Advisers Annual Conference & AGM 2017



Built to last: quality and sustainability in money advice



Financial Health: the key to sustainable money advice

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Let's get real!

“Individuals are much more likely to be over-indebted if their household income is **below £10,000**”

Money Advice Service,
A Picture of Over-Indebtedness, 2016

“For a basic standard of living,
you need to earn:

£17,311 per year”

Minimum Income
Standard for a single
person living in an
urban area outside of
London, May 2017



Poverty Premium in Tower Hamlets

7 years



£324 per year



Poverty Premium for Debt Clients in Tower Hamlets

- 3 major elements:
 - Electricity
 - Gas
 - Banking charges
- Those who pay a higher PP tend to have higher overall expenditure on utilities and other household bills
- They also tend to miss more debt repayments
- Nearly 2 out of 5 of our participants did not know how long it would take them to pay off their debt



A vision for sustainable impact

You gather evidence about the causes of debt and use it to improve my financial health environment

I seek help early; our culture encourages me to do so

You establish my physical and mental needs, and my financial situation

I learn about the decisions I can make and their implications, and I am an active decision-maker in the process

I have a clear plan of action to:

- Meet my physical and mental health needs
- Meet my commitments to creditors
- Improve my long-term financial health



You check regularly that the action plan is sustainable; if I'm struggling, you help me makes changes



Establishing needs

- Need to understand this specific client's:
 - Financial knowledge
 - Financial inclusion
 - Mindset
- Need to create space within the entire advice journey for conversation about changing needs



Re-evaluating needs throughout the journey

- Are this client's specific needs being met?
 - Is this client getting the help they really need right now?
 - What does this client's experience tell us about helping others?
- Capitalise evaluation using the MAP Tool is firstly about the specific client, and only then about “reporting to a funder”
- Follow up with the client should always include option for further support



To deliver quality, sustainable money advice we need:

- A commissioning culture that prioritises sustainable outcomes
- Time built into the process to allow the client to understand and become an active decision maker
- Debt products which empower and liberate the client as well as repaying the debt
- Holistic needs and outcomes data capture tools: MAP Tool
- “Soft skills”: teasing out the tough stuff and knowing what to do
- Holistic pathways: services and referrals
- Permission to put “this specific client” first



3 Levels of Change

I support someone to solve an immediate problem: I give information or advice, I make a referral

We work as an organisation to fill a gap, make a change: we set up a recycling or food project; we start a minibus service; we partner with another organisation to ensure access to financial services

I/We contribute to changing the system or market: we gather or act on evidence to know what the issues are and solve them by changing the rules!



Thank you

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