

# Citizens Advice Cymru update



Helene Hayes  
Financial Inclusion Steering Group  
May 2018

# Call on the FCA to provide more protection for rent-to-own customers

Rent-to-own companies sell household appliances, furniture and electronics through 'hire purchase agreements'. These agreements - usually over 3 years - involve customers paying off the price of the product as well as interest, in weekly payments.

Citizens Advice helped **5,127** people with rent-to-own debts in 2017. Our evidence suggests these consumers are often single parents, almost never have a mortgage or own their home, and a large number are out of work due to poor health. Commonly, they hold more than **£8,000 of debt, over 60% of their annual income.**

Rent-to-own services can be useful - allowing people on low incomes to purchase goods that they cannot afford to pay for upfront - but interest rates can be as high as **99.9%**, and missed payments are subject to fees of **£10-12** per occasion.

## Rent to Return?

The need for consumer protection in the rent-to-own market



Marini Thorne

**Affordability** checks often do not identify where clients might face difficulties in meeting the cost of agreements and can overlook consumers' levels of expenditure. Rent-to-own goods often exacerbate existing financial difficulties:

- People with rent-to-own debts are highly likely to be behind on important bills, such as energy or council tax.
- 50% of rent-to-own customers have borrowed to meet payments.
- Only half of all rent-to-own agreements are completed - leaving customers paying large sums for goods that they often do not get to keep.

We're calling on the FCA to provide more protections by capping the cost of credit:

- People who purchase rent-to-own products should never pay back more than 100% of the list price of the product.
- The cost of **late payment fees** on rent-to-own goods should be capped. With consumers never paying more than £15 in late payment fees over the course of their agreement.

We estimate that, if existing loans were to be priced down to the cap, consumers could save up to £62 million on 245,000 rent-to-own products.

# Why is mental health important to us?

We're seeing a **growing number** of clients who have mental health problems.

They tend to have **more problems**, and these tend to be **complex** and **urgent**.

**Services** can be **difficult to access** and **don't support** people effectively.

# Mental Health & advice in Wales

Mental health is the number 1 health issue for Citizens Advice clients in Wales.

The top advice issues for clients with mental health problems, in the past 12 months:

- Benefits and tax credits - **21%** increase compared to the previous 12 months
- Debt - **23%** increase compared to the previous 12 months
- Utilities and communications - **14%** increase compared to the same period last year

We know our clients with mental health problems have more complex, urgent and multiple advice needs. We see first-hand how people's practical problems such as money, debt, housing and employment interlink with their mental health. In many cases problems can often result in a deterioration in mental health. Clients with a mental health problem have an average of 5 practical problems each, compared to 3.5 advice issues on average for our clients overall.

cyngor ar  
bopeth

citizens  
advice

## Local Authority services and mental health

We spoke to people living across Wales, in 11 Local Authorities, covering 16 locations



## Our initial research findings highlighted

- **Confusion:** over which services were provided by council e.g. benefits
- **Who is responsible:**
  - Unclear which departments were responsible for what and who could assist them
  - Most had contacted the wrong department sometimes on multiple occasions, without resolving their issues
- **Giving up:** People often gave up before they reached the correct level and type of help

To support clients in Wales who experience mental health problems, we've carried out research to understand in greater detail what it's like for them to go about their everyday business and what things can be done to improve those experiences.

As part of the research we looked at the lived experiences of people with a mental health diagnosis' use of everyday services. We found:

- Making contact with someone who may be in a position to help in the first instance, whether energy provider, local council or other, was a significant barrier for many of these individuals.
- For some, telephone contact was acceptable, but this too could pose problems with lengthy menu options, long waits for calls to be answered, and issues of clarity and comprehension.

Services of particular concern were; housing & tenancy and finances & benefits with a perceived lack of consistent, easy to understand, jargon-free, accessible information.

# Solving practical problems improves health

**Citizens Advice has done research to understand this link across E&W**

Our clients tell us practical problems worsen their health

As a result of their problem:



**4 in 5**

felt stressed,  
depressed or  
anxious

**3 in 5**

felt their  
physical  
health had  
got worse



**7 in 10**

felt less  
stressed,  
depressed  
or anxious

**Nearly**

**1 in 2**

felt their  
physical  
health had  
improved

## Money Talks: Evaluating life-events focused money guidance

*Funded as part of Money Advice Service What Works programme*

### What we did:

- Tested life-event focused money guidance service for **working-age** people.
- Delivered across Wales in local communities (outside the workplace), reaching > **1,800** clients May - Dec 2017.
- One-to-one money guidance support to people experiencing a change in their **health** circumstance, their **employment** or a **breakdown in relationship**. Clients were referred from external partner organisations and other local Citizens Advice.
- Intervention offered in **two parts**, over 2 - 4 weeks, primarily face-to-face, also by telephone.
- First time **life-events** focused money guidance has been tested **at scale**.

## Outcomes measured

Clients engaged in financial capability support (MAS Outcomes: Accessibility and motivation)

Improved financial capability across Citizens Advice measures: keeping track of money; controlled spending; having enough money to live; planning ahead with money; looking for the best deals; and staying informed about money services.

(MAS Outcomes: including, ability to live adequately with the means, Managing well day-to-day)

Improved client confidence in taking action on money matters (also a Citizens Advice financial capability measure)

(MAS Outcomes: Financial attitudes and motivations)

Wider benefits to client as a result of financial capability support

Sustained improved client financial capability (where possible)



## Summary of interim findings - outcomes evaluation:

- **Initial findings** show that Money Talks enables clients to make progress in **all areas** of financial capability.
- There are differences: for example, **knowledge** is likely to change more than **behaviour**.
- The biggest change is observed in **confidence** - this is particularly important given that this area is identified as an area of acute need.
- A significant change is also observed in client **wellbeing** - again this is important as those with the lowest wellbeing scores demonstrate the lowest levels of financial capability.

# The customer journey: disabled people's access to postal services

🕒 14 March 2018

13 million people in the UK have a disability and they all have their own unique experiences and needs. Postal services are highly valued and frequently used by disabled people.

This report looks at each stage of a customer's journey, from ordering online and home delivery to collecting, posting or returning parcels at an access point. We consider what's important to disabled people at each stage and outline our findings on how well postal services are meeting their needs.

We find that there are clear areas that retailers, parcel operators and postal access points must focus on to improve the experience of disabled consumers.

## The customer journey: disabled people's access to postal services



Gemma Byrne  
Tim Schein

# The lasting impact of Post Office transformation: a Welsh view

Since 2012, 484 post offices around Wales have been modernised or moved into new premises such as convenience stores, newsagents and pharmacies.

These changes have all been part of the Network Transformation Programme (NTP), a £1 billion programme of work designed both to help maintain the sustainability of the post office network by moving post offices into existing retail premises and retain or improve access for vulnerable consumers.

To help make sure these changes are successful an expert team at Citizens Advice has reviewed proposed changes and made recommendations to improve access for vulnerable consumers.

As a result of this process, Post Office Ltd (POL) agreed improvements or provided reassurances in 73% of reviewed cases before implementing them. Between August and September 2017 Local Citizens Advice gathered data to find out whether these changes had been followed through on.

## Key Findings:



## Method:

Staff and volunteers from 16 Local Citizens Advice in Wales visited 122 post office branches and gathered responses to over 200 consumer surveys from August to September 2017.

Data was collected on the ease of access to and into the post office, ease of movement inside the post office and staff knowledge of post office products and services.

## Acknowledgements:

Thank you to staff and volunteers from Bridgend, Caerphilly, Ynys Mon, Cardiff & Vale, Ceredigion, Denbighshire, Flintshire, Merthyr Tydfil, Monmouthshire, Newport, Pembrokeshire, Powys, Rhondda Cynon Taff, Swansea Neath Port Talbot, Torfaen and Wrexham Local Citizens Advice, and Debi Massey.

"The post office staff were friendly and helpful to an elderly customer and did not rush him to complete his business.

I also had a parcel to post and the assistant recommended ways of altering the wrapping to get the parcel within a lower postage band."

*Mystery Shopper*



## Our role as consumer watchdog:

Citizens Advice is the official consumer watchdog for the postal market.

Our role is to ensure postal services and post offices meet the needs of consumers in a way that is fair and accessible for all.



## Findings:

Of the 122 branches visited there were:

- **No concerns in 77 branches**
- **Minor concerns in 19 branches**
- **Major concerns in 26 branches**

For an interactive version of this map, scan the QR code or visit:

<https://goo.gl/7HoCnN>

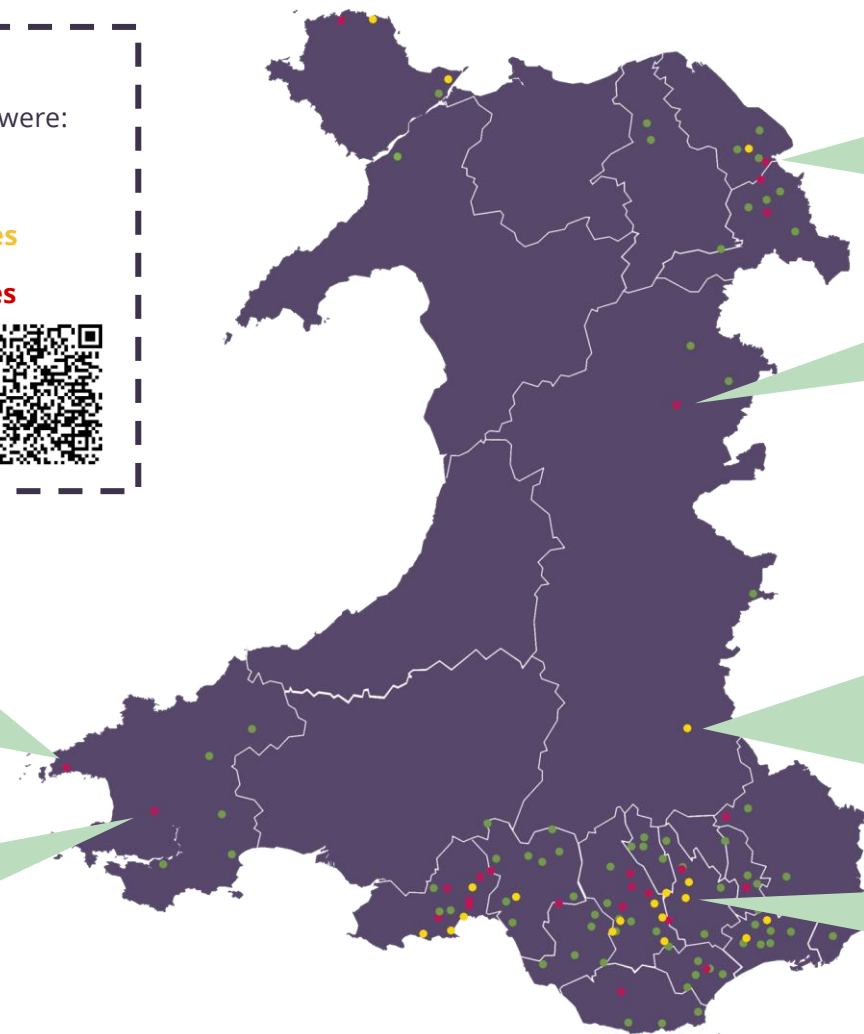


### Restricted access:

Almost 1 in 5 (17%) of the branches visited had retail stock, fixed displays, or free-standing objects restricting movement around the premises.

### Disabled parking:

Of cases where disabled parking was to be provided half (50%) have no dedicated disabled bays in place.



### Temporary closures:

3 of the branches visited were temporarily closed, 1 has closed since this research was carried out and another will be closing later this year.

### Level access:

27% of branches with major concerns had uneven thresholds or steps up to the branch.

### Bill payment:

Not all staff were clear on whether they could accept cheques for bill payments. 22 branches provided incorrect information with 9 branches that should accept cheques saying they didn't accept them. In 2 branches which would not normally accept cheques, staff exceeded requirements by accepting cheques made payable to the shop or Post Office Ltd.

### Privacy:

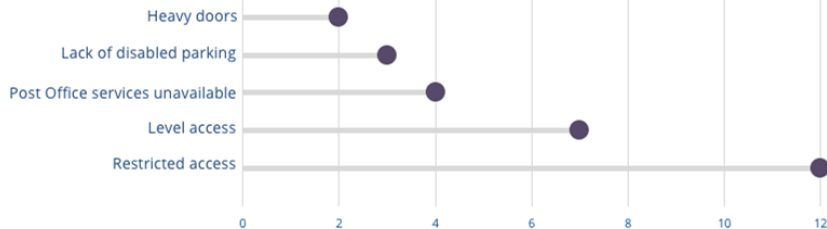
Concerns were raised about privacy at the counter when performing sensitive transactions in 4 branches.

## Restricted access is a major concern:

Restricted access into and around the branch is the most significant problem for the 26 branches where we found agreed improvements had not been implemented or other major issues. The next most common issues are problems with level access into the branch, services being unavailable due to temporary closures, a lack of disabled parking and heavy doors.

Looking across all branches visited, almost 1 in 5 (17%) had issues with restricted access. Although restricted access can be a temporary issue when stock hasn't yet been unpacked and put on shelves, it can also be caused by more permanent features such as retail display units or free-standing objects like coffee machines, lottery stands, or fridges and freezers.

### Major concerns:



"The post office never seems to be open. The staff said there aren't enough people to manage it.

I can't use it anymore, I have to use another one which is more reliable." *Citizens Advice client*



## Case Study: Pontygwaith

In order to ensure disabled access to the post office the new operator was to install a new customer entrance to the side of the building with adequate lighting and signage.

Although there was a side entrance, this was blocked by a door which was secured by a hook and chain.

There is signage on the door directing customers to ring for assistance but the person carrying out the visit could not see a bell nearby.

Further signage and a bell to call for assistance were at the inner door. However, a customer in a wheelchair would not have been able to reach them due to walkway being narrowed by trays and a trolley.

This case highlights the importance of checking agreements have been actioned at that they are compliant with POL's accessibility standards.

Since this research was undertaken POL have spoken to the operator to ensure that clear access is maintained and that a clear bell and signage is in place.

← Images of front and side entrance.

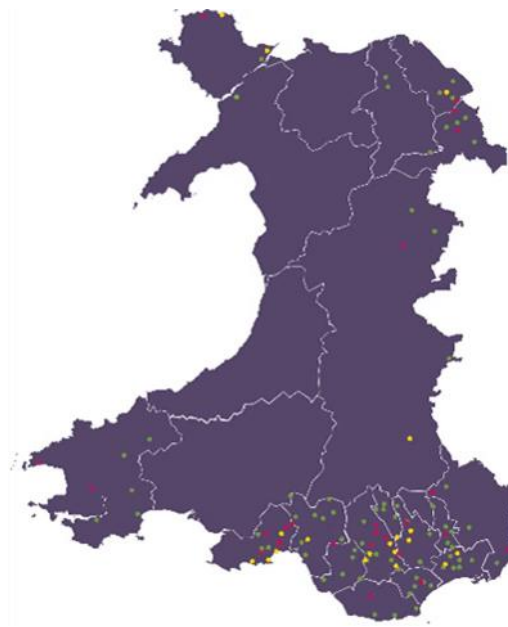
## Taking our findings to Post Office Ltd:

Following analysis of data gathered through mystery shops and waiting room surveys we met with Post Office Ltd (POL) to discuss our findings.

We asked POL to visit all poorly performing branches and deliver the improvements they previously committed to.

POL agreed to review the data and have now committed to return and make improvements to 100% of all cases with concerns. This means that:

- In all branches where it is unclear whether a portable ramp is available POL is providing signage to let people know how to seek assistance.
- POL is in discussion with operators to overcome the lack of level access in 7 branches.
- All 3 outstanding disabled bays are now being put in place.
- Stock or other obstacles restricting access have been removed from 20 branches.
- Queue posts and signage are being put up in 3 branches to aid privacy.



**100%**

Of branches with major concerns now have improvements underway



**100%**

Of branches with minor concerns have been addressed or are underway

## Next steps:

We welcome the improvements Post Office Ltd (POL) have made to the branches highlighted in this research.

However, it is important to remember that around 7,500 branches have been through the Network Transformation Programme (NTP) and have moved into new premises.

This means that as many as 1,600 branches across other parts of the UK could have major concerns similar to those discussed in this research.

To ensure access is maintained, Post Office Limited should:

- Establish an audit process to monitor the Post Office network to ensure that all branches remain fully compliant with POL's accessibility guidelines.
- Include accessibility information on their branch finder so consumers can know what facilities to expect in each branch.

## If you have an issue with your local post office:

You can reach us on Twitter @cabpost or email at: [postofficechanges@citizensadvice.org.uk](mailto:postofficechanges@citizensadvice.org.uk)

## Universal Credit - April 2018

- New analysis from Citizens Advice finds some workers may struggle to achieve financial stability on UC - particularly those affected by cuts made to the benefit since 2015 and those in less traditional forms of work.
- Full roll of UC in 2022 will see 7.2 million households claiming Universal Credit. More than half of these will be in work. **3.9 million working families** moving onto Universal Credit will face changes and challenges when they do so.
- 2 [Universal Credit reports](#) ( Apr 2018) explore the changes to people's [work incentives](#) on UC and the specific issues for people in [non-traditional work](#).
- Reports look at ways these problems could be addressed to make UC fit for purpose in the modern labour market. They have **particular relevance in Wales** due to the nature of employment here where many people are **self-employed** or are in **lower paid, irregular work**.
- Last financial year (Apr 17 - Mar 18) local offices in Wales helped **over 3,200 people** with **6,268 UC-related problems**. The number of problems seen since Jan 2018 has risen significantly. This is likely to be due to the fact more people in Wales are now in receipt of UC.
- We'll continue to monitor UC rollout and feed any intelligence into DWP and Welsh Government.