

# Harnessing the Debt Management Vulnerability Toolkit to Support People in Need

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The Local Government Debt Recovery Event  
30 November 2021

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DEBTLINE

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# About the Money Advice Trust

**NATIONAL  
DEBTLINE**

**BUSINESS  
DEBTLINE**



**161,500**  
people helped in 2020



**1.86m visits**  
to our advice websites



**9 in 10**  
clients' debts reduce or stabilise



**9 in 10**  
are more confident managing  
their money



**3 in 4**  
report a positive impact on  
emotional or mental health

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# Debt Management Vulnerability Toolkit



- The **Debt Management Vulnerability Toolkit** centres on bringing together existing industry-standard tools into a single document for government organisations to use.
- Produced as part of the Cabinet Office's Fairness Group.
- It aims to provide front line staff and managers with best practice principles that are context-neutral and useful across both central and local government organisations.
- Published on gov.uk in August 2021.



Cabinet Office

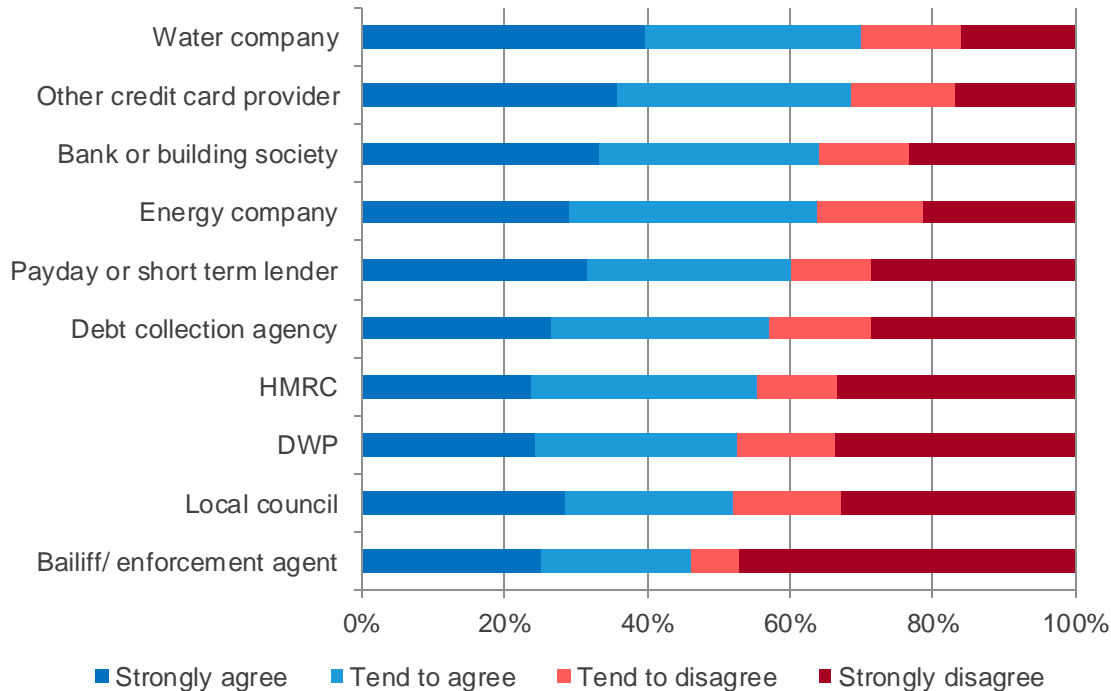


Government  
Debt Management  
Function

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# Why focus on vulnerability?

## National Debtline client perception of whether "creditor offered help to resolve debts"



“There is not the same treating customers fairly approach [with central and local government debt collection] as there is with loan and credit card companies.”

“Central and local government seem more focused on enforcing debt recovery than seeing the bigger picture including the client's health issue. There appears to be little flexibility in the approaches taken, particularly where clients' health issues are affected by deductions from benefits that cause further hardship.”

*-Responses to sector-wide survey of debt advisers*

# Why focus on vulnerability?



“When speaking on the phone, to clarify my understanding of letters/statements of payment due, I have been **reassured, advised and spoken to politely with understanding and guidance of my clear next steps.**”

- *National Debtline client*

“A HMRC adviser realised, without prompting from the client, that they had mental health issues and referred them to their Needs Extra Support Team for specialist help.



They assured the client they would be taken out of the usual collections process **which meant the client wasn't so scared about dealing with** the late filing of their returns and the subsequent tax arrears. They just needed someone to work with them, not against them.”

- *Debt adviser, response to Money Advice Trust survey*

# Developing the toolkit

- Co-produced across Sub-Group
- Context neutral
- Established tools, already in use elsewhere

“The Toolkit contains simple steps that can be taken to help identify vulnerability and take part in supportive conversations. By reflecting on the document, authorities can leverage the success that the adoption of these tools has brought to other sectors”

*- Quote from Council tax collection: best practice guidance for local authorities, Aug 2021*

# What does it cover?

**1. Identifying Vulnerability**

**2. Supporting Conversations**

**3. Particular Vulnerable Circumstances**

**4. Signposting**

**5. Staff Resilience**

# Identifying vulnerability

- Creating a **disclosure environment**
- Train frontline staff to recognise ‘**red flags**’
- Utilise **data** to identify vulnerability
- **Third-party** disclosures



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# Supporting conversations

1. Identifying Vulnerability

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**T**

## Thank the customer

(what they have told you could be useful for everyone involved):

*"Thanks for telling me about your situation, as it will help us take this into account"*

**E**

## Explain how the information will be used

(data protection requirement):

*"Let me explain how we'd like to use that information, just so you know"*

This explanation should include why the information is being collected, how it will be used to help decision making, and who the data will be shared with/disclosed to.

**X**

## eXplicit consent should be obtained

(data protection requirement):

*"Are you happy to give me permission to note down and save the information you've shared with me today?"*

**A**

## Ask the customer questions to get key information

(these will help you understand the situation better):

*"How does your situation make it difficult to manage your finances?"*

*"How does your situation affect your ability to communicate with us?"*

*"Does anyone help you manage your finances such as a [career](#), relative or other third-party?"*

**S**

## Sign-post or refer to internal and external help

(where this is appropriate).

At this point, staff and organisations might:

- need to internally refer the individual to a specialist team/staff member in their organisation
- want to consider external sign-posting to an organisation (more detail on signposting is included later in this guide)

# Supporting conversations

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## Impact

When speaking to a customer, staff should ask them what the vulnerable situation either stops the customer doing in terms of their financial situation, or what it makes it harder for them to do. Equally, for written correspondence, staff could ask themselves what they can learn from any letter or email about how the customer's vulnerable situation is affecting their finances. This will help provide valuable insight into both the severity of the condition and its consequences.  
e.g. "What has the impact been on your personal and financial situation?"

D

## Duration

Staff should discuss how long the customer has been living with the reported vulnerability, as the duration of different situations or conditions will vary. This is often clear or implied in written correspondence too. This can inform decisions about the amount of time a customer may need to consider certain options or take positive steps to improve their financial situation.  
e.g. "So when did this first start to happen?"

E

## Experiences

Some people may have more than one experience or episode of their vulnerable situation, whilst others may just have the one. Staff will need to take such fluctuating situations into account (including the effects of any medication) and consider how the person's situation or condition is likely to impact them now and in the future. This will involve considering both what support the customer needs in relation to their vulnerability, as well as how this relates to addressing the customer's financial situation.  
e.g. "To help me understand your situation better, can you tell me whether this has happened before?"  
"How has it been?"

A

## Assistance

Staff should consider whether the customer has been able to get any care, help, support or treatment for their condition or situation. This could open up discussions about obtaining relevant medical evidence whilst on the telephone. Equally, in written communications, a response can be formulated that is supportive in terms of options available to the customer for further support regarding their wider vulnerable situation.  
e.g. "Is there anything else we should know about the treatment or care you're receiving? It could help us to support you better in the future."

# Particular vulnerable circumstances

- Supporting suicidal customers – **BLAKE** protocol
- Supporting residents with mental capacity limitations – **BRUCE** protocol

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# Signposting

“We have a protocol with the council tax, housing and benefit department of our local council. Upon calling, they will hold the account for 30 days to allow time for a financial statement and set up manageable payment plans for clients. They're very fair and balanced and will consider reasonable requests to withdraw warrants due to vulnerability. They have told us that **by working together, they collect more** from customers overall as the plans we set up are manageable”

– Debt adviser, response to Money Advice Trust survey

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Empower staff



Establishing partnerships



Monitor outcomes

# Staff resilience

- Training
- Team and peer support
- Management support
- Organisational recognition

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# Next steps for toolkit

Now the toolkit is published, the focus is on:

- **Promoting the toolkit**
- Supporting central and local government organisations to **practically embed toolkit in their work** e.g. use in training for frontline staff, when designing policies and processes etc.
- **Developing toolkit version 2...**



# Thank you

## Any questions?

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**View the toolkit**

**[www.gov.uk/government/publications/debt-management-vulnerability-toolkit](https://www.gov.uk/government/publications/debt-management-vulnerability-toolkit)**

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