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An t-Ionad Fiosrachaidh

## **Social Justice and Social Security Committee**

**15<sup>th</sup> Meeting, 2022 (Session 6), Thursday  
12 May 2022**

### **Debt and Mental Health**

#### **Introduction**

In November 2021, the Committee had a meeting with people with lived experience of debt and low income. [The note from this meeting is available on the Parliament's website](#). One of the key issues to emerge from this discussion was health problems associated with debt, specifically mental health problems.

As a result, the Committee decided to hold an evidence session on the relationship between mental health and debt. The following witnesses will be giving evidence at this week's meeting:

- Support in Mind
- SAMH
- Money and Mental Health Policy Institute
- VOX (Voices by Experience) Mental Health Foundation Scotland

This session will focus specifically on people experiencing both debt and mental health problems and the relationship between the two. Suggested themes to explore with the witnesses are detailed below.

### **Theme 1: The link between debt and mental health problems**

Responses to the Committee's call for evidence acknowledged that mental ill-health can be both a cause and a symptom of debt problems.

The effect of debt on a person's mental health was detailed in the submissions. For example, SAMH wrote:

Problem debt and financial pressures are often linked to stress, depression and anxiety. In particular, money worries can cause sleeping difficulties while also exacerbating feelings of helplessness and loneliness, all of which are strongly associated with poor mental health and wellbeing.

Suicide is a complex issue and is rarely caused by one sole factor. However, drivers can include feelings of humiliation, entrapment and hopelessness, all of which are very common amongst people in problem debt. In the UK, people in problem debt are three times as likely to have suicidal thoughts than those not, while over a quarter of clients at one debt advice organisation say they've considered or attempted suicide as a way to escape their debt.

[Research conducted by the Money and Mental Health Policy Institute](#) in 2018 estimated that around 100,000 people in England experiencing debt problems attempt suicide every year, and a further 420,000 consider taking their own life.

The report also quoted research which found that people who had fallen into arrears were twice as likely to think about suicide. This was even after controlling for other contributing factors such as unemployment and negative life events.

On the flip side of the coin, some submissions highlighted the role mental health problems can play in increasing the likelihood of a person getting into debt in the first place, which can then be compounded by a reduced ability to cope. This included a greater risk of making poor decisions. For example, overspending while in a manic episode, opting for expensive sources of credit or not maximising income.

Some submissions highlighted the reduced capacity someone with mental health problems can have to deal with their financial situation.

"I know from my experiences as a housing officer, that tenants with mental health problems often don't [have] the energy and motivation to improve their situation, and therefore [are] likely to sink to addiction, depression and then debt, even ultimately criminality." (Glen Housing Association)

Thus, the relationship between debt and mental health was seen as a bit of a vicious circle.

#### **Suggested themes to explore:**

- **Among those experiencing problems with debt and problems with their mental health, is it possible to determine whether one is more likely to cause the other? Does one tend to precede the other?**
- **Do the main causes of debt in people with mental health problems differ from debtors without mental health problems and, if so, in what way?**

- **What are the best ways to break the cycle of debt and mental health problems?**
- **Since the publication of its research in 2018, has the Money and Mental Health Policy Institute reassessed the scale of the problem of suicide and debt?**
- **Do suicide prevention strategies adequately acknowledge the role financial difficulties may play?**

## **Theme 2: The effect of the pandemic and rising inflation**

According to [research by the Money and Mental Health Policy Institute](#), around a quarter of people experiencing poor mental health during the pandemic, were experiencing it for the first time.

The research showed that people with mental health problems experienced a higher risk of financial hardship during the pandemic.

[SAMH also reports](#) that since the beginning of the pandemic, the income of 14 million people in Britain reduced to a level which made it difficult for them to meet everyday costs. In addition, 9 million people have borrowed more and 7 million are behind on their bills.

Throughout the pandemic [the Scottish Government monitored self-reports of loneliness](#). At the start of data collection in May 2020, 59% of people reported feeling lonely in the previous week. This has reduced but the most recent figure (Feb 2022) still records 48% of people reporting feelings of loneliness.

[Research undertaken by Citizens Advice Scotland](#) (CAS) has found that more than three quarters (77%) of Scottish adults experiencing debt during the pandemic say their mental health has been negatively impacted.

[Previous analysis from CAS suggests](#) over 600,000 people in Scotland either got into debt for the first time during the pandemic, or saw existing debts deepen.

The increases in inflation and the cost of living are expected to compound this.

### **Suggested themes to explore:**

- **what changes did the witnesses observe to the mental health and financial position of people as the pandemic unfolded? e.g. in terms of numbers, demographics, types of debt, types of mental health problems.**
- **what impact did this have on services?**
- **are services beginning to see the impact of the increased cost of living in either the mental or financial health of individuals?**

- **how well placed are support services to address the residual impact of the pandemic along with the current cost of living crisis?**

## **Theme 3: Accessing Help and Support**

Support in Mind states in its written submission that vulnerable people often only reach their service when they are at crisis point. They also highlight that people often lack information and knowledge about what they are entitled to which means they often miss out on help such as discounts or benefits.

They may also not access money advice services, while at the same time facing long waiting lists for mental health services. As such, the opportunities for vulnerable people to be identified and supported may be missed.

In addition to the barrier of limited contact with services, some submissions highlighted the barrier that mental health problems themselves pose for the individual needing support. For example, reduced energy, reduced motivation and a reduced capacity to understand and retain crucial information.

Glen Housing Association also stated that:

“The lack of resources mean that agencies are not geared to actively seek out and engage with people who might have mental issues.”

### **Suggested themes to explore:**

- **How good are services at identifying and supporting debtors with mental health problems?**
- **What scope is there to improve the identification of those who may need support before things spiral out of control?**
- **Could other agencies play a role in identifying debtors with mental health problems and signposting them to support? If so, which ones?**
- **What specific challenges do people in debt with mental health problems pose for services? How can these be overcome?**

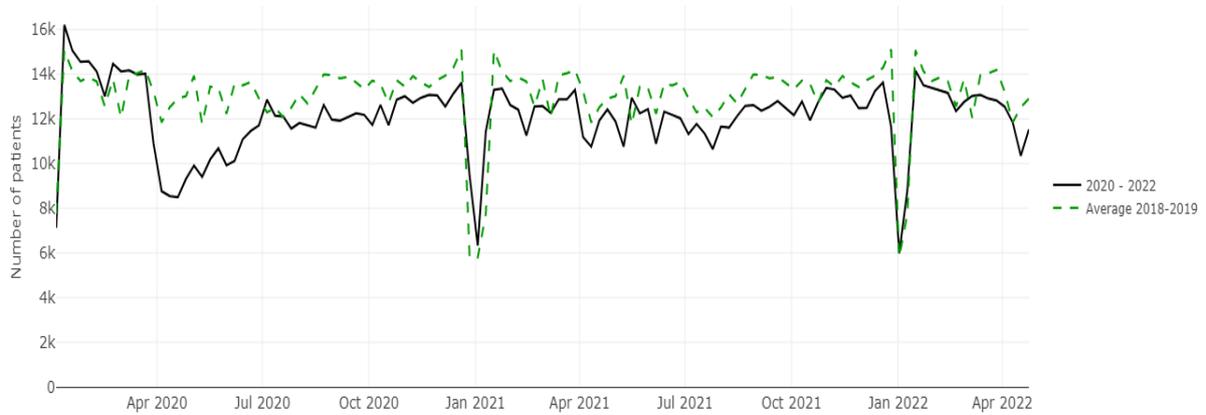
## **Theme 4: Mental health services**

Mental health services had been facing challenges for some time prior to the pandemic. This has included long waits for treatment. The most recently published data on adult referrals to psychological therapies shows that the number of referrals is now similar to pre-pandemic levels after experiencing a drop-off during the pandemic as services were scaled back. Around 41,000 people were referred for psychological therapies in the latest quarter.

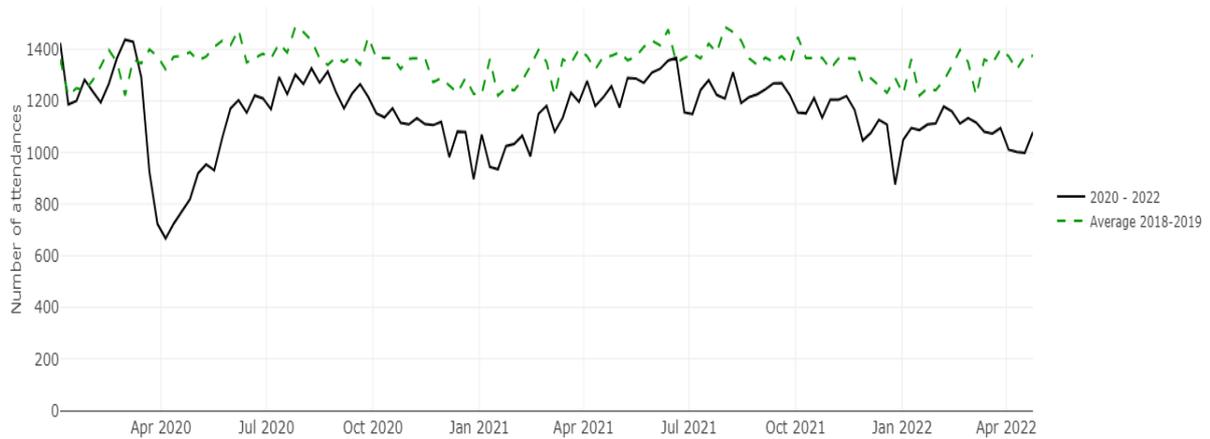
Public Health Scotland also collates data on mental health and NHS usage such as prescribing, A&E attendances and cases presenting at out-of-hours clinics. However,

perhaps surprisingly, this tends to show below average usage throughout the pandemic.

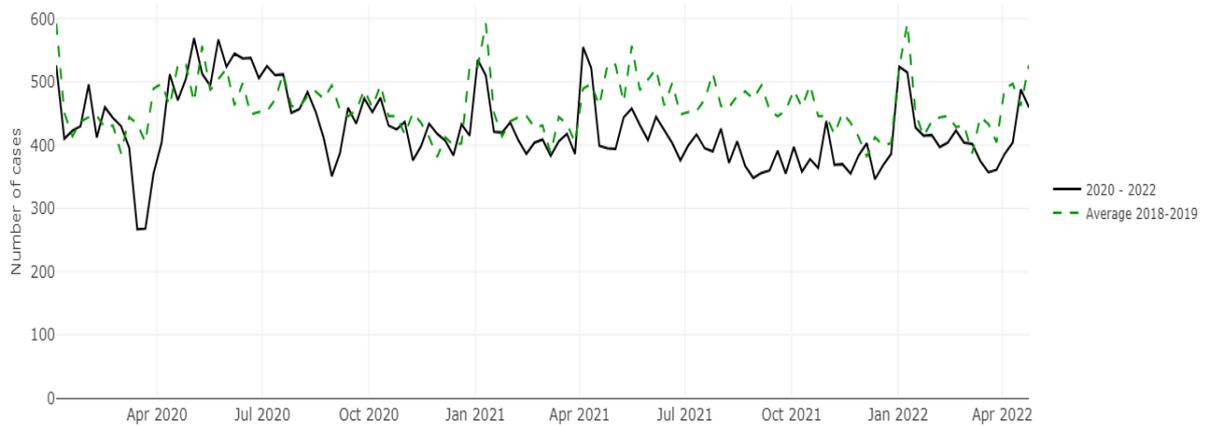
**Figure 1: Number of patients starting a new treatment course for selected mental health medicines in Scotland**



**Figure 2: Weekly mental health A&E attendances in Scotland**



**Figure 3: Weekly mental health out of hours cases in Scotland**



### Suggested themes to explore:

- How well are mental health services coping with the additional demands placed on them by the pandemic?
- Are services prepared for the potential impact of the cost-of-living crisis?
- How should we interpret the lower-than-average number of people presenting at A&E, out-of-hours services and starting medication for mental health problems throughout the pandemic? Does this mean that people are not seeking help?

## Theme 5: Stigma

There is wide-spread recognition of the stigma associated with mental illness. This is illustrated by the national anti-stigma campaign '[See Me](#)' which has been running since 2002. It is co-managed by SAMH and the Mental Health Foundation.

Some of the submissions also highlighted the added stigma associated with being in debt, meaning that debtors with mental health problems may feel even more stigma than usual.

There are some campaigns focused on tackling the stigma around debt (e.g. the 'Debt Happens' campaign run by Citizens Advice Scotland) but nothing akin to the national 'See Me' campaign.

### Suggested themes to explore:

- To what extent does stigma – for either mental health problems or debt – prevent people from seeking support?
- Is there a need for an anti-stigma campaign for debt in the same way there is for mental health?

## Theme 6: reforms

### Breathing Space initiative

The Debt Respite Scheme (also called “Breathing Space”) can be used to pause creditor enforcement action in England and Wales. It provides someone in debt with protection from creditor contact and enforcement action for 60 days. Most interest and charges are also frozen.

Where someone is receiving “mental health crisis treatment”, the protection is extended for the duration of their treatment, plus 30 days. Crisis treatment is intensive support, which covers detention and in-patient treatment as well as some types of community support.

The “moratorium on diligence” in Scotland is similar, although it only provides protection from creditor enforcement action. During the pandemic, the moratorium period was extended from six weeks to six months.

The Scottish Government may bring forward amendments to the Coronavirus (Recovery and Reform) (Scotland) Bill at Stage 2 to set a new period for the longer term. However, it is not yet clear what this will be. There is currently no specific provision for people with mental health problems.

### Other reforms

As discussed above, people with mental health issues may struggle to engage, including with money advice services and with creditors. Mental health conditions may affect someone’s ability to concentrate, to motivate themselves and to make decisions. The need for additional support or specialist services were highlighted by some respondents to the call for views.

#### Suggested themes to explore:

- **The UK Government has introduced specific provision for people undergoing mental health crisis treatment in its Breathing Space initiative. Is this something that could be replicated – or improved on – in Scotland?**
- **Do you have any other suggestions for reforms or improvements to processes and procedures to help people experiencing debt and mental health problems?**
- **Does there need to be greater protection for people with mental health problems? For example, in terms of greater restrictions in how creditors can pursue a debt? What could/should this look like?**

## Theme 7: Debt and Mental Health Evidence Form

The Equality Act gives some creditors a duty to make reasonable adjustments for people in debt with mental health problems. However, this means that people have to tell their creditors about their mental health problems.

The Debt and Mental Health Evidence Form (DMHEF) was launched in 2008 and is a way of allowing creditors to confirm that a customer has mental health problems and help assess what type of support might be suitable.

The DMHEF should be filled in by a health or social care professional and commonly General Practitioners are approached to complete the forms. Because such work does not form part of their NHS contract, they are at liberty to charge the patient.

For someone in debt, such a charge can obviously form a barrier to accessing support. However, GPs in England are no longer able to charge such a fee. This is because their contract was amended to prohibit them from charging a fee to complete the forms. This change was made on the condition that a shortened version of the form would be introduced.

Scotland has its own GP contract and it would appear that a similar change has not taken place here.

### Suggested themes to explore:

- **To what extent are Debt and Mental Health Evidence Forms used in Scotland and how do they work?**
- **What is the current situation in Scotland with regards to GPs charging for the completion of Debt and Mental Health Evidence forms?**
- **How could the operation of the form be improved?**

## Theme 8: Community Link Workers

The Links Worker Programme aims to mitigate against the impact of the wider social determinants on people's health.

It originated in the Deep End GP practices in Glasgow, where a significant proportion of a GPs time was taken up by problems of social adversity, such as poverty and financial problems.

Subsequently, the Scottish Government made a commitment in 2016 to recruit up to 250 Community Link Workers (CLWs) to work in Scotland's most deprived areas.

CLW programmes are being rolled out at different rates across Scotland, and it is for local areas to plan how these staff members are utilised and in which GP practices they work. This is supposed to be based on an assessment of local needs and priorities.

By the end of March 2022, [there were 323 Community Link Workers in post](#).

The Link Worker programme was highlighted as an example of good practice in the written submissions. This model utilises trusted relationships with health professionals to support signposting to advice. It can be a helpful route to money advice for lots of people. However, it was thought that people with mental health issues were particularly likely to be in regular contact with a GP or other health professional.

Some respondents highlighted issues with this model. There may be a need to raise awareness among health professionals of the impact of debt problems and the support available. It was suggested that there were different levels of money advice support and local services were variable. And several respondents noted that it was unsustainable to fund link workers but not the services they referred on to.

**Suggested themes to explore:**

- **How effective has the link worker programme been at helping those with mental health problems and debt?**
- **How could this be improved or built upon?**

**Kathleen Robson, Senior Researcher – Health and Social Care, SPICe Research**

**3 May 2022**

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