



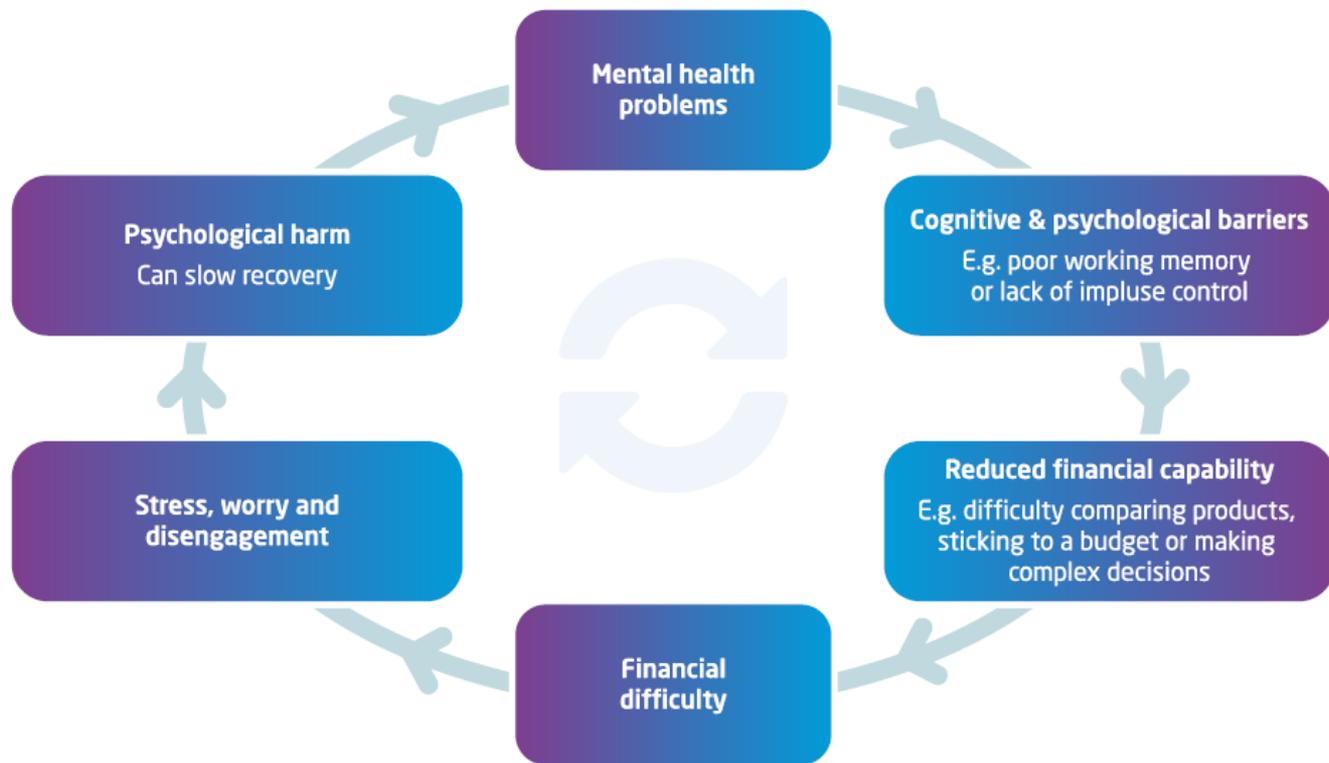
MONEY AND
MENTAL HEALTH
POLICY INSTITUTE



The links between money and mental health

People with mental health problems are **three times** as likely to be in problem debt

Half of British adults with a debt problem also have mental health problems

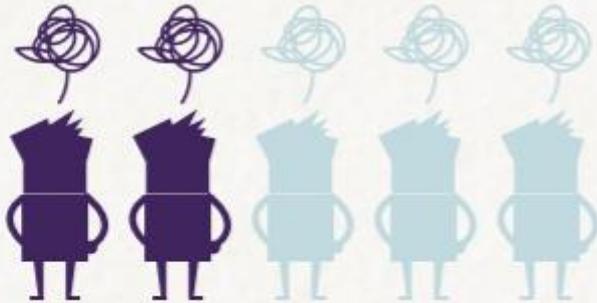


“Not having enough money means almost every part of life becomes a struggle... always being hungry, or cold, not being able to socialise with others, stressing about every bill and every penny you spend, and the many, many other ways that struggling financially has an impact on your life, chips away at will to live.”

Expert by experience

Nearly

2 in **5**



people who've been affected by mental health problems have had a drop in income due to the pandemic...



...and

1 in **3**



of those have cut back on essentials such as food and heating as a result



MONEY AND
MENTAL HEALTH
POLICY INSTITUTE



The changing policy landscape

- Health and advice
- Online spaces and spending
- Essential services (banks and utilities)
- Employment and benefits



Health and advice

Mental health access mechanism in Breathing Space

- Breathing Space gives people in problem debt a window without fees, charges or being pursued by creditors if they seek debt advice
- But this wouldn't support tens of thousands of people in mental health crisis



"We will commit to ensuring that people receiving NHS treatment for a mental health crisis, either in a psychiatric inpatient setting or in the community, will be provided with an alternative mechanism to access the breathing space scheme."

- John Glen MP,
Economic Secretary to the Treasury

[#RecoverySpace](#)

Charges for debt and mental health evidence forms

- To get extra support from their lender, people with mental health problems are often asked to provide evidence, usually a form signed by a doctor
- We found that 1 in 3 people were being charged for this form
- This charge has been stopped in England and now in Wales

Free debt advice more crucial than ever but not always accessible

- While vital, people with mental health problems told us that the way debt advice is delivered can make it hard to engage with and to reach a lasting debt solution
- Government funding to the free debt advice sector has been increased
- We're working with the Money and Pensions Service to ensure everyone who needs debt advice can get it

Online spaces and spending



Symptoms of mental health problems can make us more at risk financially when using the internet

- 26% of adults with recent mental health problems say they struggled to stay in control of **online spending** during lockdown
- Even in mid-2020 with few sports taking place, 11% of people with a mental health problem were **gambling** online more than usual
- People with mental health problems are three times as likely to have lost money or information to an **online scam**

Policy developments

- The Financial Conduct Authority is to begin regulation of buy now, pay later products with work planned on customer journeys
- The Gambling Act Review has begun and the Gambling Commission has introduced new restrictions on game design
- The Online Safety Bill looks set to tackle at least some internet scams – but gaps remain

Essential services



Support from essential services firms during the pandemic could seem non-existent or hard to access

“[I was] never told about a payment holiday for electricity and pay by direct debit monthly.”

“I am with [a company] for energy and I have not once received an email about payment reductions or offer of breaks.”

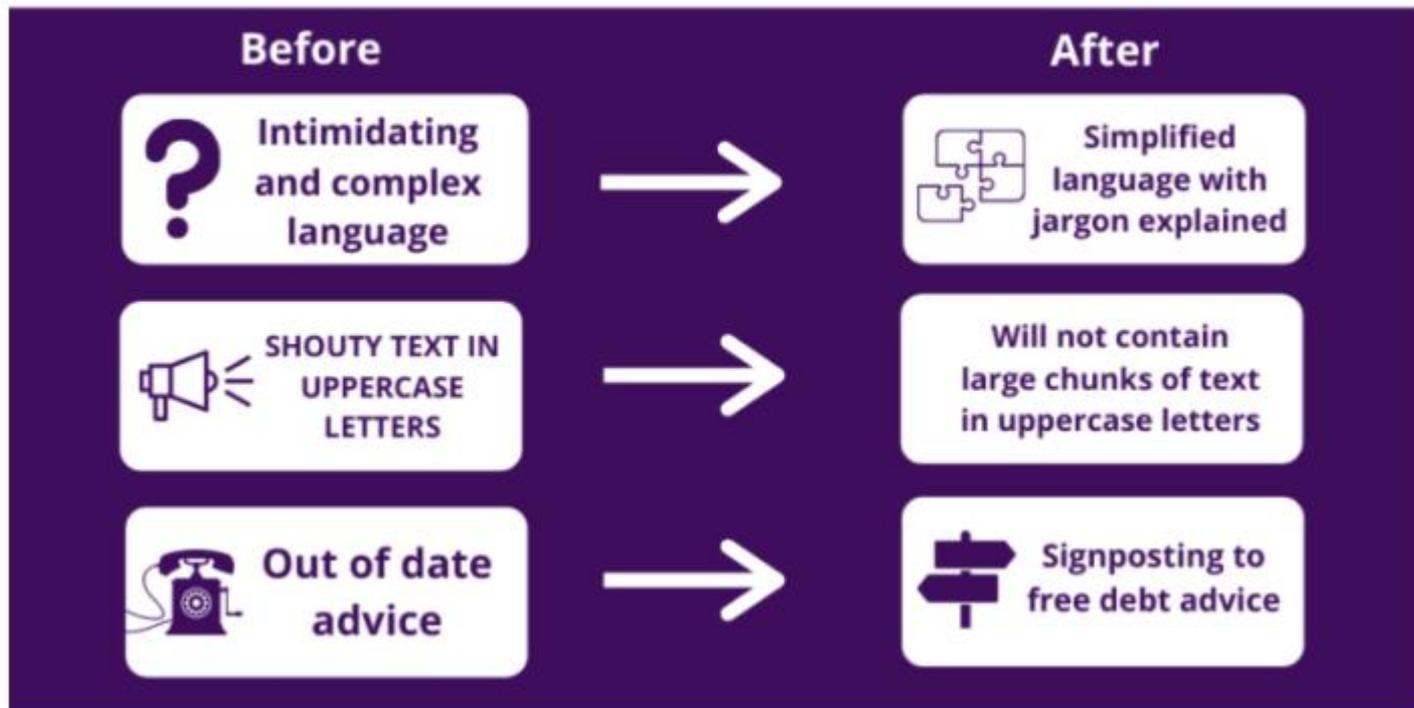
“A lot of these things take courage and emotional energy to apply for and then when their systems don’t work it is a big knock back.”

“Advocating for our health takes a lot of energy, but...[I don’t have] limitless energy.”

The impact of 'debt threats'

- Over 420,000 people in problem debt consider taking their own life in England each year, and more than 100,000 people in debt actually attempt suicide
- Poverty and financial insecurity can put people at risk of becoming suicidal, as can sudden triggers like the [intimidating and threatening letters people receive from lenders](#)

How will default notices change?





Employment and benefits

Additional support during the pandemic has been welcome if imperfect

- Universal Credit uplift but not for those on ‘legacy’ benefits
- Fewer requirements of claimants
- Furlough has prevented steep falls in incomes but drop and mental health impacts have been difficult for some

Lots of evidence of worsened mental health though some positive experiences

“I got a weekly phone call to see how I was and it was awful from human resources, just ‘hello are you OK’ and yes then ‘goodbye’ often no more than a minute long.”

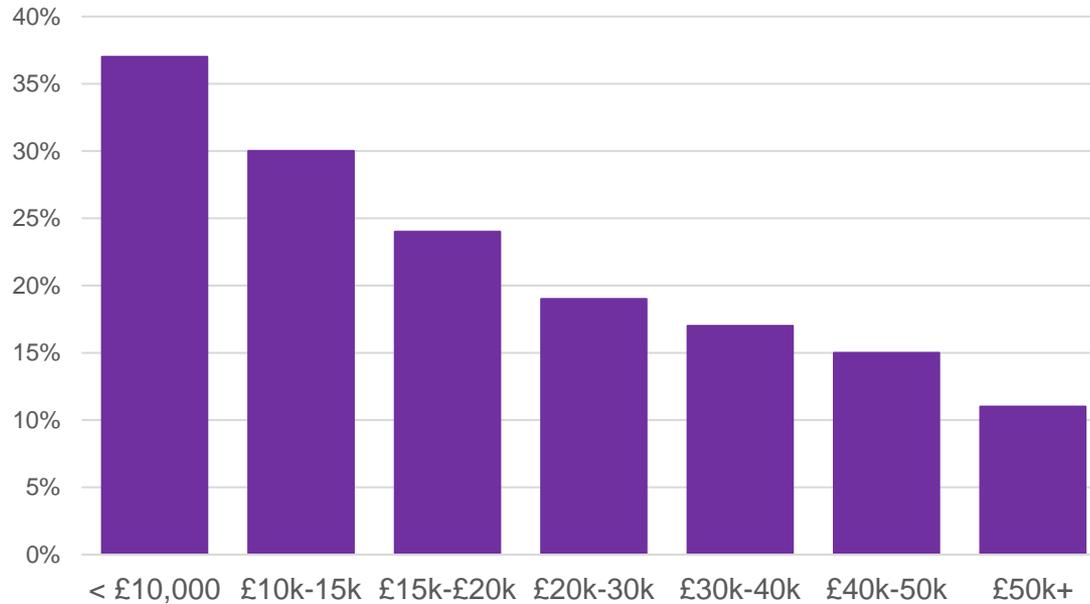
“The isolation from work was very difficult to manage. I live alone and am very isolated other than work so it really was extremely hard. I felt very alone and my anxiety spiralled and depression.”

“The stillness and quiet [of furlough] supported my PTSD.”



Largest rises in mental distress have been among those with weakest finances at the onset of the pandemic

Percentage of working age adults with depressive symptoms by gross personal income



Money and Mental Health analysis of ONS, Opinions and Lifestyle Survey, GB, Jan-Mar 2021



MONEY AND
MENTAL HEALTH
POLICY INSTITUTE

What happens next is hard to predict but warning signs

Financially, the end of furlough and other protections could lead to a difficult autumn for many households

Mental health impacts are unlikely to disappear overnight, and the return to 'normal' may be less positive for many

Policies that support mental health and household finances will be more important than ever



MONEY AND
MENTAL HEALTH
POLICY INSTITUTE

conor.darcy@moneyandmentalhealth.org