

Nye visioner for finansiel trivsel

1. oktober 2024 - København



Dagens program

- 13.00** Velkomst v. June Crondahl, formand for Vidensfunktionen
- 13.10** En 10-års strategi for finansiel trivsel - Oplæg v. Christy McAleese, Debt Advice Strategy and Policy Lead, Money & Pensions Service (MaPS)
- 14.10** Pause med kaffe, frugt og sødt
- 14.30** Økonomi- og gældsrådgivning i Irland - Oplæg v. Gwen Harris, Regional manager North Dublin, the Money Advice and Budgeting Service (MABS)
- 15.30** Dialog ved bordene
- 16.00** Fortsæt gerne samtalen over et glas
- 16.30** Tak for i dag

A 10-year strategy for financial wellbeing

Oplæg v. **Christy McAleese**, Money &
Pensions Service (MaPS)

The work of the Money and Pension Service (MaPS)

Christy McAleese, Debt Policy & Strategy Policy Lead
October 2024

Who we are



The Money and Pensions Service's vision is "Everyone making the most of their money and pensions".

We are an arm's-length body, sponsored by the Department for Work and Pensions, with a joint commitment to ensuring that people throughout the UK have guidance and access to the information they need to make effective financial decisions over their lifetime.

We are funded by levies on both the financial services industry and pension schemes.

We have five statutory functions

Money guidance	Pensions guidance	Debt advice	Consumer protection	Strategy
<p>We provide information designed to enhance people's understanding and knowledge of financial matters and day-to-day money management skills. We deliver free, impartial money guidance to millions of people through our website, our contact centre, WhatsApp and our webchat.</p>	<p>We provide information to people about workplace and personal pensions. We deliver free, impartial pensions guidance through our website, technical contact centre through our pension experts and through individual appointments.</p>	<p>We provide people in England with information and advice on debt and are the largest single funder of free debt advice in England.</p>	<p>We work with government and the Financial Conduct Authority (FCA) to protect consumers against financial scams, ensuring our customers can identify and protect themselves and their finances.</p>	<p>A responsibility under the Financial Guidance and Claims Act is for MaPS to develop and coordinate a national strategy. To date this has been fulfilled through the development and coordination of the UK Strategy for Financial Wellbeing.</p>

Source: Financial Guidance and Claims Act 2018 – 3.1 Functions

Money Guidance

Money ↳ Helper

Free, impartial, unbiased support, information
and guidance.

moneyhelper.org.uk

Pensions Guidance

Money ↳ Helper

Help from our
pension
specialists is
impartial and
free to use



**Phone us on 0800 011
3797**

Open Monday to Friday, 9am to
5pm. Closed on bank holidays.



Submit a query

Use our online enquiry form. We
aim to respond within five
working days.



Chat to us

Use our webchat. Open Monday
to Friday, 9am to 5pm. Closed on
bank holidays.

Consumer Protection



Pension Safeguarding: how pension transfers are kept safe from scams

Drawing a pension

[Retiring later or delaying taking your pension pot](#) >

[Guaranteed retirement income \(annuities\) explained](#) >

[Buying an annuity: annuity options and shopping around](#) >

[Guaranteed annuity rates](#) >

[Capped drawdown](#) >

[What is flexible retirement income \(pension drawdown\)?](#) >

[Taking your pension as a number of lump sums](#) >

[Moving, living and retiring abroad](#) >

[Options for using your defined contribution pension pot](#) >

Transferring from one pension to another often means a lot of money and benefits are being handled. This opens up the possibility for fraud. The Pensions Scheme Act 2021 means there are now new protections to help your pension provider keep your transfers safe against possible scams.

What's in this guide

[What happens when I'm looking to transfer?](#) ↓

[New additional safeguarding steps: red and amber flags](#) ↓

[Pension Safeguarding Guidance appointment](#) ↓

What happens when I'm looking to transfer?

Since 2013 pension providers have been required to carry out checks on your proposed transfer and document their findings.

In some instances, this may raise concerns about the scheme you're looking to transfer into. Under the old rules, your pension provider could only make you aware of their concerns. Now though, they're able to prevent the transfer going ahead.

Questions?



Money &
Pensions
Service

UK Strategy for Financial Wellbeing



Why a UK Strategy for Financial Wellbeing?

MaPS has been given a legal duty to coordinate a national strategy to address this vital issue.

If the UK unites to address financial wellbeing, we can have a significant impact on individuals, communities, businesses and the wider economy.



5.3m

children do not get a meaningful financial education



9m

people often borrow to buy food or pay bills



11.5m

people have less than £100 in savings



22m

do not know what they need to plan for retirement

The UK Strategy for Financial Wellbeing: the journey so far

2019: To develop the UK Strategy we conducted listening events, deep dive sessions with experts, and an internal and external evidence review



January 2020: MaPS publishes UK Strategy for Financial Wellbeing 2020 – 2030



The UK Strategy was also informed by learnings from the 2015 MAS Financial Capability Strategy



The UK Strategy set out:

- 5 national goals
- 2 cross-cutting themes: gender and mental health
- the workplace was identified as a “key delivery channel”

The national goals are **NOT** targets for MaPS. We do not own the relevant levers, or even have access to administrative data to track progress. The goals set a challenge, rounded to the nearest million, for all the organisations involved in achieving them. They are not underpinned by a complex economic or statistical model.

2020: MaPS created 11 Challenge Groups to establish how the UK might make progress towards the national goals

UK Strategy for Financial Wellbeing

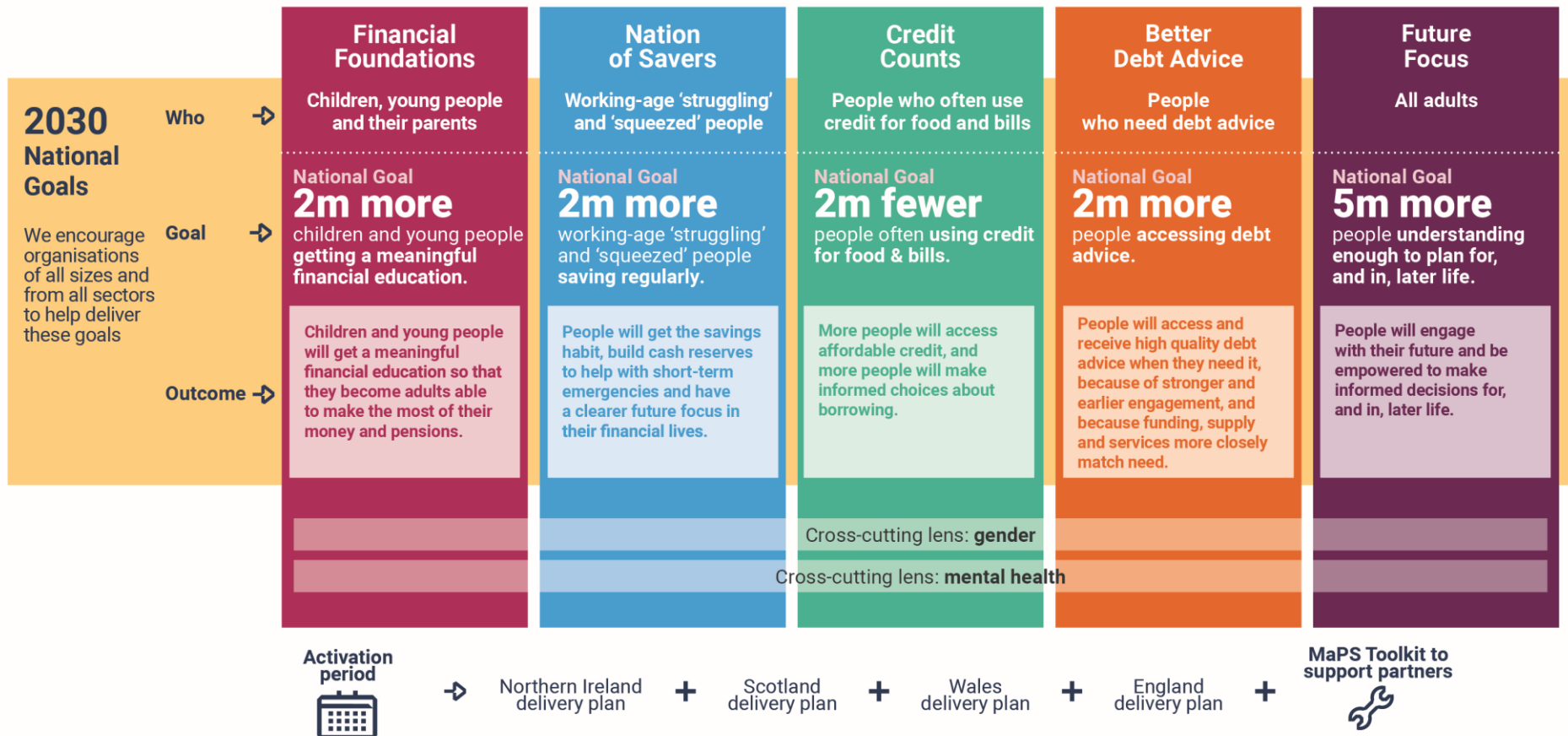
We believe: A financially healthy nation is good for individuals, communities, business and the economy



Our vision: Everyone making the most of their money and pensions



Our shared Agendas for Change– the five ways we will drive change at scale, working with others



The Challenge Groups (January to December 2020) called on 145 expert stakeholders

all working under highly experienced chairs, to address the challenge of how we can achieve the five national goals



<p>Financial Foundations</p> <p>How can we get two million more children and young people receiving a meaningful financial education by 2030?</p>	<p>Nation of Savers</p> <p>How can we get two million more working-age 'struggling' and 'squeezed' people regularly saving?</p>	<p>Credit Counts</p> <p>How can we get two million fewer using credit for food and bills?</p>	<p>Better Debt Advice</p> <p>How can we get two million people accessing high quality debt advice by 2030?</p>	<p>Future Focus</p> <p>How can we get five million more people understanding enough to plan for, and in later life?</p>
<p>1) Overall Challenge Group Chair: Ndidi Okezie OBE, UK Youth</p> <p>2) Financial Services Financial Education Challenge Group Co-Chairs: Eric Leenders, UK Finance and Sarah Porretta, MaPS</p>	<p>3) Nation of Savers Challenge Group Chair: Marlene Shiels OBE, Capital Credit Union</p>	<p>4) Use of Credit Challenge Group Chair: Ben Page, Ipsos MORI</p> <p>5) Affordable Credit Challenge Group Chair: Sacha Romanovitch OBE, Fair4All Finance</p>	<p>6) Better Debt Advice Challenge Group Chair: Sir Hector Sants, MaPS</p>	<p>7) Long-term Savings Challenge Group Chair: Emma Douglas, Legal & General Investment Management</p> <p>8) Decumulation and Later Life Challenge Group Chair: Professor Dame Carol Black, Centre for Ageing Better</p>

<p>Gender</p> <p>How can we achieve the five National Goals with maximum benefits for women?</p> <p>9) Gender and Financial Wellbeing Challenge Group Chair: Jackie Leiper, Scottish Widows</p>	
<p>Mental Health</p> <p>What would it take to achieve the National Goals if the focus were on people with mental health problems?</p> <p>10) Mental Health and Financial Wellbeing Challenge Group Chair: Paul Farmer CBE, Mind</p>	
<p>Workplace</p> <p>How can the workplace be a key delivery channel across the five National Goals of the UK Strategy for Financial Wellbeing?</p> <p>11) Workplace and Financial Wellbeing Challenge Group Chair: Sacha Romanovitch OBE, Fair4All Finance</p>	

The UK Strategy for Financial Wellbeing: the journey so far

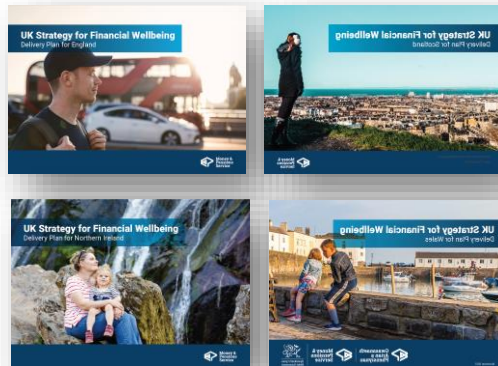


MaPS' response to Covid-19 pivots internal resource towards our guidance content, particularly money guidance

October 2020: The Challenge Groups also produced a report to inform MaPS' response to Covid-19



The Challenge Groups created Theories of Change for each national goal and cross-cutting theme. These are broad-brush plans which together contained 138 recommended activities for achieving the national goals.



Spring 2022: Following intensive discussions with the Devolved Governments, DWP and HMT, four national Delivery Plans are published. The Devolved Governments include additional initiatives in their plans. There are 64 initiatives listed in the Delivery Plans.

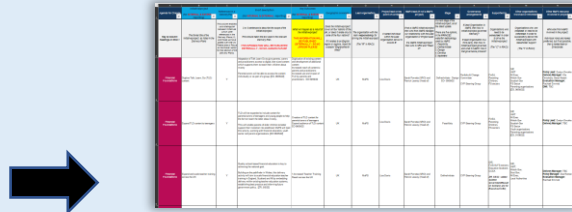
We held roundtables to identify challenges and gaps for the specific policy environments of Wales, Scotland and Northern Ireland

Winter 2020: 113 recommended activities are prioritised by MaPS. Partners are found for some of them. MaPS agreed to deliver 18 others, including most of the initiatives related to the Financial Foundations pillar. 75 of the recommended activities do not progress.

The UK Strategy for Financial Wellbeing: the journey so far

Concurrently: tracking and measuring progress

There are 64 initiatives in the Delivery Plans. Board asked us to source and track other third-party initiatives (not mentioned in the Delivery Plans) which will support progress towards the national goals.



MaPS track the progress of the 64 Delivery Plan initiatives, and other third-party initiatives, using the Control Document. MaPS Policy Leads and Country Managers update the Control Document every 6 months.



MaPS measures the UK's progress towards the national goals with survey data. At present this survey data is only updated every three years.

We populate, every six months, four national Progress Reports which are shared with the four national stakeholder forums.

Initiative	Key Outcomes	Lead	Partners	Commentary
Provide opt to payroll savings schemes & develop new for alternative Provide a significant increase in voluntary take up of existing opt to payroll savings schemes, and roll out and build the evidence base for opt-out schemes.	<ol style="list-style-type: none"> Increased availability of payroll savings schemes for employees Increased use of payroll savings schemes 	Head Inflight, Financial Services sector	Aviva, BNP Paribas, HSBC, JP Morgan	Head Inflight continues to publish compelling reports on behalf of MaPS on the benefits of opt-out payroll saving schemes known as "auto-save". This is in contrast with opt-in models of payroll savings which have much lower levels of employee engagement. The Head Inflight reports can be found here: https://www.moneyandpensions.gov.uk/research/projects/sectors/finance-emergency-savings/opt-out-payroll-savings-trial/ Following the 2024 general election MaPS will continue to publicise evidence of financial resilience and savings success across all four nations of the UK.
Financial Services sector to create a draft savings charter to encourage regular saving	<ol style="list-style-type: none"> Creation of a Savings charter for regular savings Increase in regular savers 	Financial Services sector	MaPS	MaPS has worked with the financial services sector to create the Savings Charter with its key commitments targeted at saving providers. The charter is now live at https://maps.org.uk/working-with-us/igniting-the-savings-charter Further work will be undertaken to promote the charter across all four nations of the UK.
Moderate the take up of help to save and create consumers understand their savings choices once their account	<ol style="list-style-type: none"> Increased take up of help to save Increased understanding of savings choices for ready to save consumers 	HMRC/JAMT	MaPS	The HM Treasury consultation on what replaces the help to save scheme when the current one ends in April 2025 is set to start because of the 2024 general election.

Concurrently: coordinating convening, collaborating

MaPS has for many years coordinated Financial Wellbeing Forums in Wales, Scotland and Northern Ireland. The Devolved Governments attend alongside representatives from the private, public and third sectors. This is part of our statutory responsibility to "work closely with the devolved authorities."

Following the publication of the Delivery Plans we set up an England Forum. Members include organisations such as:



We use these 4 national forums to bring together - four times a year - organisations who are committed to supporting the UK Strategy. Members share ideas and insights, discuss new developments in the wider landscape, and give/receive updates on the progress of individual initiatives. The forums are one part of a nascent financial wellbeing movement, as envisaged by the Challenge Group Chairs in their report.



The forums will provide us with an important vehicle for discussions during the Review of the UK Strategy, and future updates to the Theories of Change.



Tracking progress and next steps

Nation of Savers Working-age 'struggling' and 'squeezed' people

England Delivery Plan initiatives: progress report (Summer 2024)

Initiative	Key Outcomes	Lead	Partners	Commentary
<p>Promote opt-in payroll savings schemes & develop case for alternatives</p> <p>Prompt a significant increase in voluntary take-up of existing opt-in payroll saving schemes, and trial and build the evidence base for opt-out schemes.</p>	<ol style="list-style-type: none"> 1. Increased availability of payroll savings schemes for employees 2. Increased use of payroll savings schemes 	Nest Insight, Financial Services sector	Welsh Gov, MaPS, DWP, HMT, BSA, ABCUL, BlackRock, JP Morgan	<p>Nest Insight continues to publish compelling reports, co-funded by MaPS, on the benefits of opt-out payroll saving schemes known as "autosave". This is in contrast with opt-in models of payroll savings which have much lower levels of employee engagement.</p> <p>The Nest Insights reports can be found here: https://www.nestinsight.org.uk/research-projects/workplace-emergency-savings/opt-out-payroll-savings-trial/</p> <p>Following the 2024 general election MaPS will continue to publicise autosave at financial inclusion and savings summits across all four nations of the UK.</p>
<p>Financial Services sector to cocreate a draft savings charter to encourage regular saving</p>	<ol style="list-style-type: none"> 1. Creation of a Savings charter for regular savers 2. Increase in regular savers 	Financial Services sector	MaPS	<p>MaPS has worked with the financial services sector to create the Savings Charter with its five commitments targeted at savings providers. The Charter is now live at https://maps.org.uk/en/work-with-us/sign-the-savings-charter</p> <p>Further work will be undertaken to promote the charter across all four nations of the UK.</p>
<p>Maximise the take-up of Help to Save and ensure consumers understand their savings choices once their account matures</p>	<ol style="list-style-type: none"> 1. Increased take up of Help to Save 2. Increased understanding of savings choices for Help to Save consumers 	HMRC/HMT	MaPS	<p>The HM Treasury consultation on what replaces the Help to Save scheme when the current one ends in April 2025 is on hold because of the 2024 general election.</p>

5

Questions?

Debt Advice in the UK

How is debt advice funded and regulated in the UK

As levy collector:

- Upon instruction from the DWP on the amount required, the FCA is tasked with collecting the levy for debt advice
- The actual activities that can be delivered under levy funding are not defined or described anywhere, either by the FCA or in legislation

As regulator:

- The FCA holds the rulebook for ‘debt adjusting and debt counselling’ (Conc 8) but this is not a useful blueprint for thinking about our future debt advice services
- The FCA Consumer Duty will place new responsibilities on financial services firms and the debt sector
 - need to ensure services and products are designed around consumer need, with a focus on vulnerable
 - financial services firms will need to have better process for people in financial difficulty and debt, including referrals to debt sector. The sector will need to share outcomes achieved with referring organisations

The Debt Sector



How MaPS provides debt advice

National debt advice suppliers provide support to individuals throughout England who are experiencing problem debt. Services are offered primarily through telephone and digital channels and have been designed to meet the needs of vulnerable customers.

Business debt advice services provides similar support to sole traders and small businesses owners where their personal finances are impacted. A business debt centre of excellence provides support and information to the wider sector.

The Debt Relief Order (DRO) administration hubs accepts client referrals from debt advice providers who have identified a DRO as the best solution for a person who has received debt advice.

Community-based debt advice services are delivered in community settings such as high streets, other local centres and via outreach. These services are typically offered entirely or partially in-person; although many community-based organisations use a range of delivery models to provide debt advice and engage people.

Mental Health Crisis Breathing space enables individuals who are receiving qualifying mental health crisis care to enter Breathing Space via the Mental Health Access Mechanism (MHAM). Advisers enter individuals into Breathing Space after receiving evidence they are receiving crisis care from an Approved Mental Health Professional (AMHP).

Customers

In 2023, 15% of the UK adult population fell into this category, equivalent to 8.1 million people. They are typically:

- Under 35 years old.
- In households with children and low incomes
- Most (61%) rent their home from social or private landlords
- Are more likely to have had an income shock in the previous three years

Delivery partners

National: Citizens Advice, Money Advice Trust (MAT) and Financial Wellness Group

Business: Money Advice Trust (MAT)

Community: Debt Free Advice, Citizens Advice, East Midlands Money Advice Partnership, Greater Merseyside Money Advice Partnership

DRO: Citizens Advice and Financial Wellness Group

Mental Health Crisis: Rethink

Channels

Community-based services can be offered with an element of in-person support. All services use a range of delivery models to provide debt advice and engage people, including telephone, digital and webchat and video kiosks. **National** services are offered primarily through telephone and digital channels and have been designed to meet the needs of people in vulnerable circumstances

Resources

National: £36 million p.a.

Business £3 million p.a.

Community: £30 million p.a.

DRO: £6 million p.a.

Mental Health Crisis: £1.1 million p.a.

Debt Need survey 2023

Debt Need Survey 2023



In 2023, 15% of the UK adult population fell into the category of Needing Debt Advice, equivalent to 8.1 million people.

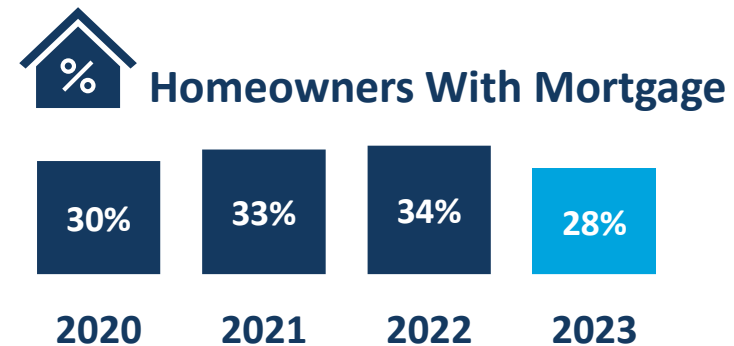
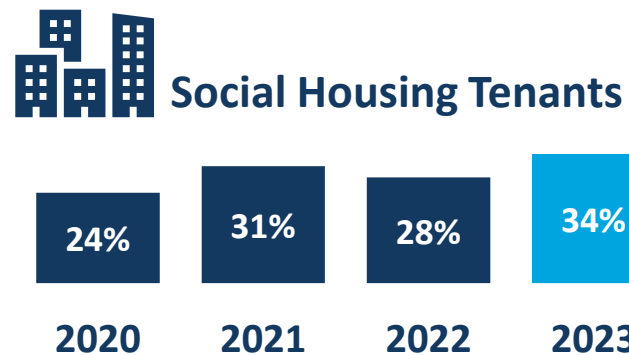
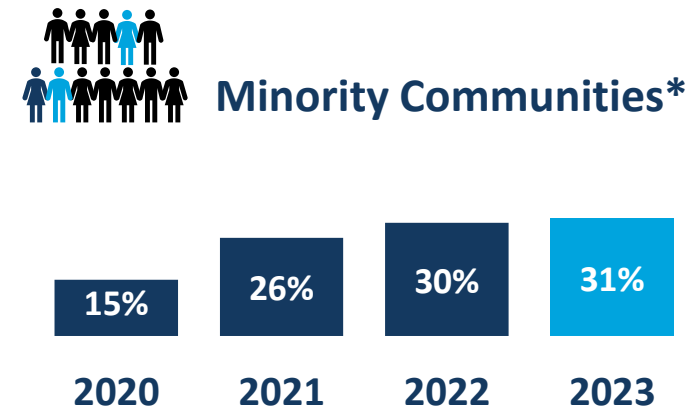
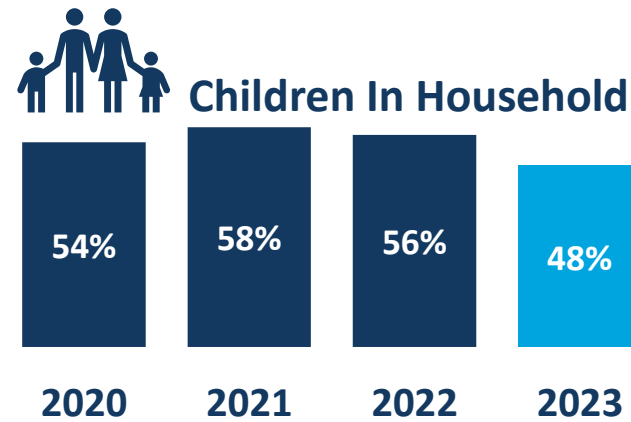
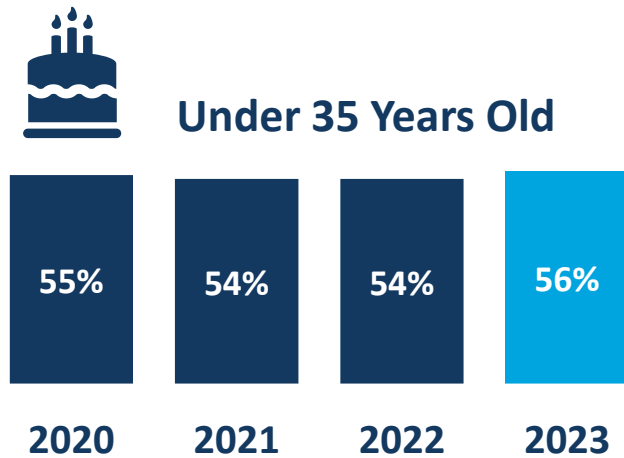
Our assessment is that there has not been a substantive change to the amount of people who need debt advice when compared to 2022.

The survey is conducted online, and like all organisations conducting online research, we continually review and strengthen our data quality control procedures from year to year. These steps identify the small minority of interviews that don't seem to represent considered and realistic responses to the questions we ask.

<https://maps.org.uk/en/media-centre/financial-wellbeing-blog/2024-financial-wellbeing-blogs/the-2023-UK-debt-landscape>

Key demographics differentiating this group from the UK population

% of people who need debt advice

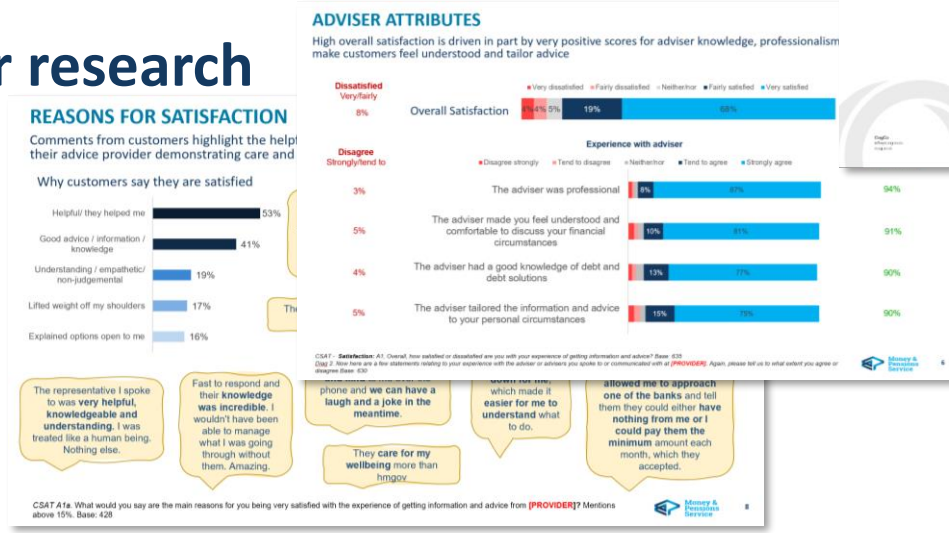
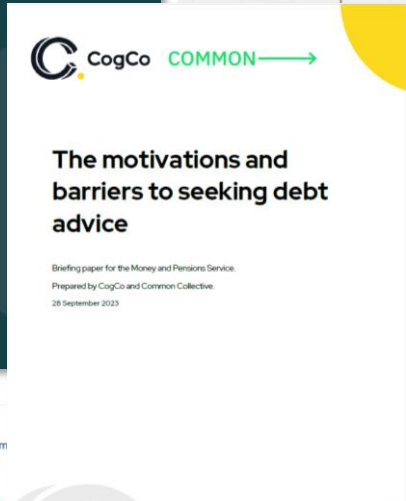


Questions?

Debt Advice Trends

Evidence gathering in 2023

- Newly commissioned research
- Established two adviser panels
 - Online panel
 - Smaller in person group
- MaPS Debt Need Survey
- MaPS Voice of Customer research



Trends

Barriers to advice seeking

- **Public awareness of debt advice is low**, and so people are not aware of what services exist and how they might help. They are also **unsure of what seeking help might mean for them**.
- There is a **stigma associated with debt** and people can feel embarrassed about their money problems. **It can feel overwhelming**, and those with low financial literacy and confidence can particularly struggle to seek help. Where clients are facing multiple vulnerabilities, **resolving debt is not always the priority**.

Increasing numbers of deficit budgets

- Providers have reported **significant growth in the prevalence of deficit budgets**, with Citizens Advice reporting in July 2023 that over 50% of their clients are now in this situation.
- In August 2023 MaPS published findings from our deficit budget call for evidence. The responses received highlighted that both the **prevalence and size of deficits has increased in line with cost of living pressures**. These pressures have also reduced the options that advisers have for tackling deficit budgets.
- Advisers have adapted to the environment and are spending more time looking for opportunities, however, this is putting **advisers under strain**. Considering this, it is more important than ever that where action can be taken to support these clients, it is taken.

Funding pressures across the sector

- Robust and comprehensive data on the funding levels supporting debt advice across the UK does not exist, however, it is clear that **there are funding pressures across the sector**.
- **For debt advice providers working nationally funding is often reliant on voluntary contributions** from corporations, including fair share contributions which are squeezed as fewer people take up debt management plans.
- **Community-based providers may be reliant on local authority funding or charitable grants**. Additional funding may have been available as part of cost-of-living response programmes but there is no indication how long sources will continue.

Challenges securing investment in infrastructure

- **Debt advice delivery is often undertaken by charities, which can present challenges in finding the capital expenditure to invest in infrastructure and systems**, especially in an environment of high demand for service.
- Where funding for technology and infrastructure has been made available, it has often been one-off or ad-hoc and hasn't been sustained at a level that allows ongoing maintenance and enhancements.

Inefficiencies and pain points

- **The debt advice process requires accurate information about client circumstances to be gathered.** This often requires the input and collaboration from multiple parties. Credit reference agency (CRA) data can help paint some of the picture, but some debts are not included within this.
- Often, sourcing the required information means **advisers are spending significant amounts of time on hold to customer contact centres, trying to reach someone who can help with their enquiry.** Advisers report challenges with document sharing and inconsistent approaches from one creditor to another.
- **Many of the backroom processes involved in advice-giving could benefit from modernisation and simplification.**

Trends

Workforce challenges

- **There is low awareness of debt advice (and advice more broadly) as a career option** and many advice organisations describe ‘being able to recruit trained professionals into the sector’ as a key challenge.
- **Retaining trained, experienced staff within the debt advice sector is critical to meet the demand for services.** Research conducted on behalf of the IMA in 2020 found that 8% of respondents intended to leave the sector entirely within 12 months.
- Experience suggests that **it takes between 4–6 months to train a new debt adviser** to the level required to deliver debt advice independently. Therefore, **annual funding commitments can present challenges to timely recruitment** and subsequent training of new recruits.
- Half of advisers in the online adviser panel say their **workload is not manageable** and around **70% consistently say that they do not have enough time to do their job well.** The same panel also pointed to the importance of management culture in how advice-giving staff experience work

Questions?

Debt counselling in Ireland

Oplæg v. **Gwen Harris**, the Money Advice
and Budgeting Service (MABS)

MABS Ireland

Gwen Harris, The Money Advice and Budgeting Service
(MABS) Ireland

mabs.ie



@MABSInfo

Today I will discuss

- ✓ The evolution of the MABS Service
- ✓ The services offered by MABS
- ✓ Access points for the MABS Service
- ✓ An overview of the money advice process and how we support our clients to reach debt solutions
- ✓ The MABS relationships with the financial industry and service providers and an overview of some protocols that support our work and the achievement of voluntary or amicable debt solutions

The history and evolution of MABS in Ireland

- ✓ The Money Advice and Budgeting Service, known as MABS, was established in 1992 on a pilot basis
- ✓ 1996 to 2018-51 local companies and 2 national companies
- ✓ 2018 Restructured to 8 Regional Companies and 2 national companies
- ✓ MABS is a national service, funded wholly by Government through the Citizens Information Board
- ✓ Over 60 offices throughout Ireland managed through 8 Regional companies, which covers a large geographic or urban area

Organisational Structure

Regional Companies

- ✓ Each Regional Company is a registered charity and lead by a Regional Manager reporting to a voluntary board of Directors. Each regional company operates between 6 and 8 local MABS offices, available in 60+ locations in Ireland

National Traveller MABS

- ✓ National Traveller MABS works to reduce poverty, discrimination and the financial exclusion of Travellers in Ireland and aim to make MABS and Citizens Information more accessible to Travellers. The Irish Traveller community is a recognized ethnic minority

MABS Supports CLG

- ✓ Support the functions of the MABS network relating to training and quality and work closely with the regional MABS companies. MABS Supports also assists in highlighting policy issues that arise in the course of the money advice work on behalf of clients.

Staff in MABS

- ✓ The MABS Services employ professional, trained staff to deliver services to the citizen.

The Ethos of MABS

- ✓ MABS is the only **free, independent, confidential** and **non-judgmental debt advice/debt counselling service** (known as Money Advice) in operation in Ireland.
- ✓ MABS primary objective is to provide one-to-one advice to people having difficulty managing their money, are in debt or are in danger of being in debt. The role of MABS is one of partnership and support to each client
- ✓ MABS works with clients in a holistic approach. The MABS money advice process does not focus on the debt only, but includes long-term skills development and empowerment of the debtor/client.
- ✓ MABS works to empower people by providing knowledge and skills in relation to managing finances more effectively as well as dealing with creditors
- ✓ MABS Advisers support clients through both advice and advocacy, making representations to creditors as needed. This provides for a balance between creditors and borrowers

The Objectives of MABS

- ✓ Partnership : To develop partnership between statutory, voluntary agencies and other service providers to provide and integrated system of supports that can be accessed by the target group as appropriate to their needs.
- ✓ Equal Access: To ensure that the target group has equal access to the MABS Service, regardless of their geographic location.
- ✓ Policy Change : To highlight changes in policy and practice which need to be implemented at local and national level in order to reduce poverty and over-indebtedness.
- ✓ Money Management Education: MABS has responsibility for the promotion and development of education in respect of money management.

Access points

MABS is accessed via telephone, email, the MABS website or MABS offices

Website www.mabs.ie

- ✓ Offering access to self-help tools, contact information for services. Our website offers a Request for Call Back for citizens to ask for a MABS Adviser to contact them

MABS National Helpline 0818 07 2000

The MABS National Helpline is a key channel of service delivery for MABS. Following assessment the Helpline Adviser helps the caller address their issues by

- Providing support, advice and information, supporting through Client Empowerment model
- Referral to MABS Office for advocacy services
- Referral to Personal Insolvency Practitioner to explore Insolvency options

MABS Offices

- ✓ Citizens may contact their local MABS office directly to seek advice and support
- ✓ Local offices work in a similar way to the Helpline, in addition Money Advisers also provide advocacy such as representations to creditors or a Debt Relief Notice application

Debt Solutions available through MABS

- ✓ **Voluntary Debt Solutions:** Many people who come to MABS are assisted in reaching a voluntary arrangement with their creditors. Money Advisers support and where appropriate negotiate on behalf of a client to reach a sustainable payment arrangement.
- ✓ **Statutory Debt Solutions :** Following the introduction of Insolvency Legislation in 2012, MABS Money Advisers also act as Approved Intermediaries under Personal Insolvency legislation for clients availing of a Debt Relief Notice.
- ✓ **Gateway to Abhaile (Irish word for home) :** Launched in 2016, Abhaile is a State-funded service to help homeowners find a resolution to their home mortgage arrears. It provides free financial and legal advice and help from experts, accessed through MABS.

The 6 Step Money Advice Process



MABS works through a standard Money Advice Process with all clients

Helpline **0818 07 2000**

mabs.ie

Funded and supported by the Citizens Information Board

The 6 Step Money Advice Process



1. Research the situation

Here we support the client to tell their story. GDPR and the process is explained.

Information about income, spending, debts and assets is gathered.

2. Assess the situation

Here we support the client to maximise their income, work out their priorities, and check enforceability.

We help the client to develop their budget.

3. Decide on a plan

We discuss all options available to the client based on the information they have gathered. We support and guide the client to draw up a financial statement, and agree on offers for the creditors.

6. Review and close

Arrangements now in place, we provide life skills and tools to sustain the arrangement and guide the client to financial independence.

5. Monitor progress

At this stage, we support the client in replying to creditors. We also assist in dealing with any appeals or access other solutions.

4. Implement plan

Here we support the client to develop a strategy to implement the budget and tackle debt plan. We support the client in putting forward their offers of repayment.

Helpline **0818 07 2000**

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Designing Budgets and Protective Income levels

- ✓ When working with clients to draft a budget and arrive at disposable income values available for creditors, MABS will ensure that the debtor has a protected quality of living
- ✓ This means we ensure that food, housing, light/heat, education, medical and clothing are provided for first in all budgets
- ✓ Since 2012, and the introduction of the Personal Insolvency Act, we use the Reasonable Living Expenses (RLE) in our calculations.
- ✓ You can find details of the RLE and access a calculator tool on www.isi.gov.ie
- ✓ From 2004 to 2012, MABS referred to the Minimum Essential Standards of Living (MESL) as agreed through work of the Vincentian Partnership for Social Justice
- ✓ You can find details of the MESL and access a calculator tool on www.misc.ie

Voluntary or Amicable Debt Solutions

- ✓ Each client is offered all debt solutions available to them and that they are eligible for. MABS works in partnership with the client, therefore we support a client's choice on debt solutions available to them
- ✓ MABS was established in 1992, however Personal Insolvency Legislation was only introduced in 2012.
- ✓ The MABS Service has a long history of voluntary debt solution and arrangements
- ✓ Through our good reputation of being an honest broker and supporting clients in achieving sustainable budgeting, MABS has developed great working relationships with other industries, including banking, utilities and unsecured lending industries.
- ✓ Over the years we have developed protocols, setting out how we work together and offering amicable solutions to debtors

Energy Utility/MABS Operational Protocol

Basic Principles:

- ✓ First engagement in 2004
- ✓ It was designed to improve operational effectiveness of the energy suppliers/MABS engagement
- ✓ Enabled and committed the suppliers and MABS to work together effectively to help clients address debt problems in an effective and realistic manner
- ✓ Accepted that each supplier adopts a different approach to debt recovery and each case of indebtedness is unique
- ✓ Recognised the concepts of full disclosure and debt settlement
- ✓ Protocol focused is on process –but obviously the goal is to avoid disconnection
- ✓ Due to the success of the Protocol, the Commission for the Regulation of Utilities refers providers to MABS in many Codes of Practice for Utility Suppliers

MABS and the Banking and Payments Federations of Ireland (BPMFI) Protocol

Basic Principles:

- ✓ The aim in working with banks to develop our first protocol in late 2008 was to put in place, '*mutually acceptable, realistic, affordable and sustainable*' solutions for over-indebted borrowers.
- ✓ We agreed to work within defined timeframes, to use a Standard Financial Statement (SFS) and participating institutions agreed to halt legal action for the period during which MABS and borrowers were working to put in place an arrangement.
- ✓ In 2014 we updated the protocol in light of the new personal insolvency legislation and the concept of debt settlement, as opposed to long-term debt management, was introduced and creditors recognised the relevance of amicable debt settlement
- ✓ In 2020 the Protocol was extended to include mortgage debts and in 2022 extended to pre-arrears also
- ✓ We review & refine the protocol and make changes as needed

MABS and the Banking and Payments Federations of Ireland (BPMFI) Protocol

What is it not?

- ✓ An actual hard law, in the form of an Act or an Statutory Instrument
- ✓ A statutory code (for example the Code of Conduct for Mortgage Arrears)
- ✓ This means that banks cannot be compelled to apply it.

So what is it?

- ✓ A “soft”, voluntary, goodwill-based understanding between MABS and the subscribing lenders.
- ✓ The protocol, plus an explanatory memo, are available on the BPMFI and MABS websites. You don't have to be a client of MABS to avail of it. A debtor can take a self-help approach.

The Abhaile Scheme (Abhaile is Irish for home)

The aim of Abhaile is;

- ✓ To help insolvent mortgage holders who are at risk of losing their homes,
- ✓ To identify and put in place solutions to their mortgage arrears,
- ✓ To keep them, wherever possible, in their own homes.
- ✓ Under the Scheme MABS now has put in place a network of Dedicated Mortgage Arrears Advisers (DMAs) who work with borrowers to achieve a non-statutory amicable solution
- ✓ In addition to the DMA Advisers in MABS, under Abhaile MABS works in partnership to establish panels of professional advisers with The Insolvency Service of Ireland, the Legal Aid Board and a panel of accountants to ensure borrowers have access to Insolvency Solutions
- ✓ Abhaile introduced a Court Mentor Scheme (manned by MABS) to support clients attending repossession proceedings

Code of Conduct and other policies

Referring a borrower or customer in difficulty to MABS is included in a number of codes of conduct and other protocols including;

- ✓ The Code of Conduct for Mortgage Arrears
- ✓ Consumer Protection Code
- ✓ Residential Tenancies Board: New 10-step process for landlords and tenants in a rent arrears due to impact of Covid-19
- ✓ Moneylenders Code of Conduct
- ✓ Energy Provider Codes of Practice
- ✓ Transport for Ireland : Toll Charges
- ✓ Based on the success of the BPFi protocol in particular, MABS is currently working with other creditors such as Local Authorities and Credit Unions to develop more protocols for amicable solutions

Thank you for your attention today
Please contact me gwen_harris@mabs.ie
for further information
