

# Debt advice and financial capability: best-practice for professionals and policymakers working with prisoners, offenders, and ex-offenders



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Link to full best practice guide: [https://irep.ntu.ac.uk/id/eprint/49596/1/1792683\\_Machin.pdf](https://irep.ntu.ac.uk/id/eprint/49596/1/1792683_Machin.pdf) (or via QR code)



## Introduction

This poster summarises the key findings from a Developing Academic Policy Engagement (DAPE) project at Nottingham Trent University (NTU). DAPE facilitates connections between academics and government partners; this project was match funded by NTU and the Ministry of Justice.

The project produced a best practice guide which explored the experiences of people with an offending history who have debt issues. A set of best practice guidelines were developed for professionals and policymakers working in the criminal justice field, drawing on leading literature and evidence from experts.

The project provides an evidence base to help shape professional conversations about working effectively with prisoners and ex-offenders who experience debt. It analyses the broader policy issues that influence people's lived experience of debt and engagement with services

### Priority debts include:

- Rent and mortgage arrears
- Council tax
- Court fines
- HMRC self-assessment penalties
- Deductions from social security benefits
- Mobile phone debts

\* Debts to drug dealers or other prisoners are not considered a priority in legal terms, but in practical terms may require urgent action

### Non-priority debts include:

- Legal aid
- Credit cards or store-card debts
- Catalogue debts
- Bank or building society loans
- Unsecured loans
- Money borrowed from friends and family

## Literature review

### Working with complex and varying need

The challenges faced by prisoners have been described as relating to six basic life needs: livelihood, residence, family, health, criminal justice compliance, and social connections (Simmons University, 2016). These form part of the fabric of the complex debt advice process. Meadows et al. (2010) found that a custodial sentence can worsen existing debt problems, as tenancies may not be properly ended, and direct debits may not be terminated.

### Links to offending behaviour

Debt problems and crime have been shown to have 'reciprocal causation' (Aaltonen et al., 2016, p. 325), during periods of debt enforcement, crime levels increase (Link, 2019). Aaltonen et al.'s (2016) large-scale study recommended that more proactive work is done with creditors to facilitate an understanding of a debtor's financial and offending history. Van Beek et al. (2022) emphasise that the links between debt and crime are often underpinned by adverse childhood experiences, mental health problems, substance misuse, and unemployment.

### Needs of specific groups

The Prison Reform Trust (2013) highlight the need for debt advice to be targeted at women; most women who enter the criminal justice system experience debt and prolonged poverty (Caulfield, 2012). Blom et al. (2011) found a close link between debt and delinquency, that was underpinned by risky behaviours. Hoeve et al. (2014) reported a strong correlation between crime in youth and debt in later life. Harper et al. (2021) found that there is an overrepresentation of minority ethnic groups and those on low incomes in the indebted population in the criminal justice system.



## Best practice principles

### Financial literacy

For prisoners and ex-offenders, levels of financial literacy can be low and linked to a lack of meaningful participation in economic life (Johnson and Sherraden, 2007). Financial literacy translates as equipping prisoners and ex-offenders with the skills needed to deal with their finances and debt. This may be on a basic level such as opening/managing basic bank accounts and developing essential budgeting skills. The aim is to equip people with the basic money-management tools needed when professional intervention ends.

### Understanding the debt environment

The debt advice process for people in prison is likely to be complex and time-consuming. Clarke (2016, p. 60) has highlighted that effective advice is a 'double process'. Firstly, an adviser needs to be able to translate a service user's presenting issues into the framework of debt law and policy; secondly, they need to be able to translate the complexities of the action taken to a service user in a meaningful and understandable way.

### Confidentiality and consent

Delivering debt advice to prisoners and ex-offenders may involve face-to face and/or remote contact, careful consideration needs to be given to privacy and confidentiality (Money Advice and Pensions Service, 2020). Practitioners need to work closely with host agencies to ensure that face-to-face debt advice is delivered in a safe and private space, that referral processes ensure confidentiality, and that information is only shared when a legitimate and lawful reason is established.

### Suspicion of authority

Previous coercive experience of the criminal justice system can create feelings of distrust and alienation (Bell, 2017). Debt advice workers can use what NACRO (2006) describe as 'the smell of the outside'; a trust in external, non-state-provided services and emphasise their independent role.

### Debt is one element in a much bigger picture

A holistic approach is needed that recognises that financial insecurity is often accompanied with vulnerabilities in relation to mental health, drugs and alcohol, relationships, and housing (Meadows et al., 2010).



## Policy issues

Some key systemic and policy challenges are identified below. The full best practice guide includes recommendations on how to effectively respond to these issues.

### Housing issues

Imprisonment increases financial exclusion and can create obstacles to finding appropriate housing (Edgar & Bath, 2011). There is a close correlation between debt and housing-related problems, and these can be particularly acute for prisoners and ex-offenders.

### Social security issues

The literature demonstrates a significant link between experience of the criminal justice system and the provision of social security (Garland, 2017). Around a quarter of out-of-work benefits are claimed by people with a criminal conviction and concerns have been raised that only a quarter of offenders leave prison and enter employment (UK Parliament, 2016).

### Cost of living crisis

Due to increases in energy costs, food bills, national insurance, and petrol/diesel costs, as well as the currently high levels of inflation, existing debt issues are likely to be exacerbated and new debt issues may emerge. It is important that prisoners and ex-offenders are given advice about these emerging financial pressures, which can increase vulnerability and make resettlement more problematic.

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