Life events:

How any family can fall into debt

The case for a breathing space scheme

The case for a 'breathing space'

There are around 2.4 million children in England and Wales living in families in problem debt. These children are five times more likely to be at risk of having low well-being than those not facing difficulties with debt. Children living in low-income households and in families with multiple debt types are at greater risk of experiencing mental health problems than other children.[1]

Consumer debt in the UK is soaring, prompting the Bank of England to warn about the potential threat of debt to the economy. The Chief Executive of the Financial Conduct Authority has warned about the greater indebtedness of the young, who are having to borrow to afford basic living costs. The Government has now brought forward a consultation on a breathing space scheme and is seeking views as it designs this protection for households in debt. It has committed to putting this protection in place by around the end of 2020.

StepChange Debt Charity reports that 70% of clients fell into problem debt because of a negative life event such as a job loss, reduced work income, illness or relationship breakdown.[2] These were all changes of circumstances that hit a client's income and made it impossible for them to keep up with debt repayments in the short term.

This report explores the varied life events that can push families into debt. It looks at how the current lack of protection makes things worse, rather than offering a period of protection and support to help families get their lives, and their finances, back on track. It tells the stories of real people who have fallen into debt and struggled to make ends meet.

The 'breathing space' consultation is a welcome step forward, which we support. Our focus now turns to ensuring the scheme works as well as possible for those in debt by making sure:

1. The most important debts are included, particularly debts owed to the state (including benefit debts and council tax debts).
2. The initial period of protection is long enough to allow families to get their finances back on track, stop debts from spiralling, and, where appropriate, establish a plan for making affordable repayments.
3. Where appropriate, the initial 'breathing space' period can lead smoothly into longer-term protection through a statutory debt management plan, to enable people to affordably and sustainably repay their debt.

The following organisations have supported a breathing space scheme.

christians against poverty CAP

Childhood Bereavement Network

YOUNG LIVES vs CANCER CLIC SARGENT

cma Freedom from debt Hope for the future

contact For families with disabled children

FAIR FUNERALS

Gingerbread Single parents, equal families

Mental Health & Money Advice

MONEY ADVICE TRUST BUSINESS DEBTLINE NATIONAL DEBTLINE WISER ADVISER ADVICE YOU CAN TRUST

MONEY AND MENTAL HEALTH POLICY INSTITUTE

MoneySavingExpert.com

nia delivering cutting edge services to end violence against women and children

PayPlan® live again

Refuge For women and children. Against domestic violence.

Rethink Mental Illness.

StepChange Debt Charity

Surviving Economic Abuse

The Children's Society No child should feel alone

TOYNBEE HALL For a future without poverty

WAY Widowed & Young

women's aid until women & children are safe

Funeral debt

More than 1 in 7 of us (16%) will struggle trying to pay for a funeral when someone close to us dies.[3] In the last 10 years, the cost of dying has risen 10 times faster than the cost of living. The average cost of a basic funeral in the UK is now £3,897.[4]

At the same time, the state safety net for people without the money to pay for a funeral has been shrinking. The Government's Funeral Fund was designed to cover the cost of a basic funeral for people without any money – but it was capped in 2003, and pays out only £1,429 on average, covering just 40% of the average funeral cost. Because of the very tight eligibility criteria for the funeral payment, most people who need it will not get help from the Government. Students, under 18s and people in low paid and insecure work are among those normally turned down for the fund.

Research from 2017 shows that on average, grieving people who struggled to pay for a funeral took on an average debt of £1,680.[5] Funeral poverty is now valued at £160 million worth of debt, up from £150 million last year. Funeral debts are frequently unaffordable debts. People are forced to take out high interest loans and sell possessions. Often the impact of funeral poverty can damage people's financial stability for many years to come.

A 'breathing space' from unaffordable funeral debt would be an enormous help to grieving people on low incomes. Bereavement is an incredibly stressful and bewildering time. Having to shoulder the burden of funeral debt on top of the emotional and psychological reality of grief is too much for many people to bear. A breathing space scheme would allow people time to adjust to their new circumstances, after which many would feel better prepared to approach their funeral debt.

Helen's son was severely disabled; she and her husband cared for him for 25 years.

'When my son Aaron died I was in bits. He still felt like my baby. We'd always tried to save, but you don't get much chance when you're a carer.

'We got a simple, respectful funeral for Aaron but it still cost £2,500. We applied for the funeral fund and the DWP [Department for Work and Pensions] were quite rude and unkind. Eventually we got £1,370 paid to the funeral director. This left us in over £1,000 of debt. I felt too ashamed to scatter Aaron's ashes while we still owed money to the funeral director.

'We've paid the debt off to the funeral director by taking out another loan. I've taken out life insurance so my surviving children don't have to go through what we went through. I got the cheapest package but I can't really afford it. The week I make my monthly payment is the week I don't have enough money for food or gas.'

Case study provided by Quaker Social Action

Bereavement and debt

The death of a spouse or partner is a difficult time, as people come to terms with their emotional loss. But bereaved people also face significant financial challenges during this period, and research shows they are a group at particular risk of poverty and problem debt.[6]

The immediate financial demands they face include paying for the funeral and dealing with debt and housing costs,[7] but they also face longer-term challenges like the loss of a partner's income.

After the death of a partner, debts are more likely to rise than fall, with younger people, women and those experiencing a sudden bereavement more likely to encounter higher debt. For younger people who experience a bereavement, debts can be the result of ongoing financial burdens – such as mortgage payments or raising children.[8] Those who were cohabiting with a partner but were unmarried can face extra financial pressures as they are not eligible for Bereavement Support Payment.

- Nearly 4 in 10 people who die leave behind a spouse or civil partner.
- Almost 70% of those bereaved say they felt either financially or practically unprepared for the death of their partner.
- Ten percent of people report higher levels of debt and 33% are left with debt of some kind after their partner dies, with 14% of the debt not being known to the bereaved.[9]

When bereavement does leave people unable to afford debt repayments, a breathing space scheme would give them the time and space they need to grieve and adjust to the loss of a loved one. Often a death means a significant change to financial circumstances. A breathing space scheme would allow people to carry out the administrative tasks that follow a death, including settling the deceased person's estate, making changes to benefits and applying for Government and charitable grants. These tasks can take longer for grieving people, who often describe the period following their bereavement as a kind of haze.

Simon gave up his job to care for his wife Lucy, who was diagnosed with a rare form of brain cancer. Lucy's health rapidly declined resulting in seizures and eventually a complete loss of mobility. Lucy passed away in October 2016 and Simon was left to care for their young daughter.

'I was left facing life without Lucy – the bedrock of our family – and I just felt so trapped. I was grieving. I soon fell into a depression, some weeks I still only have £30 for food. Often I sit here and think, "I just don't know where the money will come from."

'The pain of losing a loved one is at the core of everything, and you need time before you rush into decisions about your job, your house and your future. A "breathing space" would have been really, really helpful for me.'

Case study provided by WAY Widowed and Young

Cancer and debt

Undergoing cancer treatment is a very difficult and stressful time for patients and their families and the financial impact can be devastating. CLIC Sargent found that parents spent an average of £600 a month on additional expenses as a result of their child's cancer treatment.[10] The top three expenses were travel, food, and other extras like toys and treats.

Parents and young people reported difficulties in applying for benefits and often required additional support. Children and young people cannot apply for Disability Living Allowance or Personal Independence Payment for the first three months, despite parents having to cover the additional costs of cancer from the first day of their treatment. As a result, families often end up under great financial pressure. According to CLIC Sargent's survey of 149 young people and 279 parents:

- Three in five parents (61%) found themselves in debt as a result of their child's cancer treatment, with 1 in 6 (17%) borrowing over £5,000.
- Two-thirds of parents (65%) and 2 in 5 (42%) young people agreed that cancer treatment was 'a big problem' for their family finances.
- Three-quarters (76%) of parents and over half (54%) of young people agreed that managing their finances during treatment had caused them additional stress and anxiety.[11]

Cancer treatment can be an overwhelming experience and it can be difficult to consider other things such as managing finances. Of the parents surveyed by CLIC Sargent, 57% of them reported that they had issues managing their bank account during treatment. The biggest issue was that they couldn't get to the bank, followed by a lack of internet access when they were in hospital with their child.[12]

Forty three percent of parents surveyed by CLIC Sargent felt that a break from payments was the most useful thing for dealing with debt.[13] For families who struggle with debt repayments because of the costs of cancer, the provision of a breathing space scheme would make a huge difference during an incredibly difficult and stressful time.

Khianna was diagnosed with acute lymphoblastic leukaemia (ALL) in March 2016. The costs soon built up as her mum Kerry explains:

'After Khianna's diagnosis I lost my job and got into a lot of debt – council tax arrears, rent arrears and credit card bills. All the bills piled up and my rainy day funds disappeared. Considering everything we went through, the financial problems were the hardest to deal with.

'It's not easy, you have to call all the companies and organisations that you are in debt to to try and sort it. You have to jump through so many hoops. At the time I just didn't have the energy.

'The car parking fees are expensive and we were there daily [at the hospital] so I was spending around £20 a day. My child can't walk far, so you have to park as closely as you can but the closer you get, the more expensive it is.'

Case study provided by CLIC Sargent

Disability and debt

Families with disabled children are more likely to be on lower incomes due to the difficulty of combining work and care. It costs more to raise a disabled child, and families with disabled children have been repeatedly hit by cuts to benefits and other financial support.

Research[14] by Contact – the charity for families with disabled children – found that in recent years, there has been a sharp rise in the number of families with disabled children going without basics such as heating and food. Forty one percent of families with disabled children have fallen behind with payments including utilities, council tax, mortgage or rent, and credit card loans.

More than a third (36%) of families with disabled children have taken out a loan, including for essentials like heating. A quarter (26%) are taking out loans to pay for specialist equipment and adaptations. This could range from incontinence products and sensory toys, to wheelchairs and home adaptations.

A quarter of loans were from quick cash schemes or loan sharks and half (51%) were threatened with court action for failing to keep up with payments.

> ‘Before our son was born we coped fine with our debts. It was after we learnt that he had severe brain damage and required 24-hour care my husband and I had to leave work to care for him. This left us in lots of debt and puts a lot of stress on to us.’

Parents talked about the impossible burden of what they owe, having to ‘rob Peter to pay Paul’ to pay for the basics, and the shame and guilt associated with debt. Their comments reflect the financial strain which negatively impacts family relationships and parental mental health.

> ‘We are on a really tight budget and we have to keep a tight control on what is coming in and out. We do live in our overdraft, the thought of having to suddenly pay them back is so scary.’

Some foresee getting into increasing debt as inevitable. Families with disabled children feel trapped by circumstance due to the unavoidable higher costs of raising a disabled child and the difficulty of working and caring.

> ‘I go without so my children can eat and I can pay bills to keep a roof over my family’s head. I sometimes use payday loans, I try not to, but sometimes we need them to keep afloat. I feel like I am going round in circles borrowing money. I’m trying my hardest and I’m desperate to work, but it is a nightmare to find part-time work to fit around Jack’s caring needs.’

A breathing space scheme would help reduce some of the unnecessary extra stress caused by making unaffordable debt repayments, as it would give families the time they need to set up a plan to repay their debts. As one parent put it, ‘help me sleep at night. It’s frightening and scary to live beyond your means’.

Financial abuse and debt

One in five women reports having experienced financial abuse within a current or former relationship.[15] A common form of financial abuse involves the abuser taking out debt in their partner's name but using it for their own benefit. In a nationally representative survey, 6% of women reported that a former partner had fraudulently put debts in their name.[16]

Another 7% reported that a former partner had coerced them into putting debts in their name. Unsurprisingly, research with survivors of domestic violence shows higher levels of prevalence. One in five respondents reported loans being taken out in their name and over half said the abuser had built up bad debts in their name.17

Paying back debt that has been generated in this way creates a financial obligation which makes it difficult for the victim to leave and live independently. Abusers may also engage in controlling behaviours in relation to the debt. These may include concealing the extent of the debt or refusing to let their partner pay on time, if at all.[18] This can lead to the victim being left with a poor credit score, which also acts as a barrier to leaving. Without good credit, women may be prevented from being employed in certain industries or renting/buying a new home and setting up utilities. The problem of debt has the ability to undermine women and children's ability to access safety and rebuild their lives.

Where debt has been taken out through fraud, legal remedies exist. But this isn't the case for coerced debt. Survivors of domestic violence may be left with unmanageable levels of debt. In addition to the distress this causes, they have to deal with the emotional and physical impact of abuse.

A 'breathing space' from coerced debt would be an enormous help to women in this situation. It would give them space to access counselling and support whilst dealing with practicalities such as finding somewhere new to live, settling children into a new school and pursuing legal action.

Lara* experienced repeated verbal, psychological, physical and financial abuse from her partner over four years.

When she met him, she had a good career, savings and owned her own car. Her partner leased a car and loaned money for the deposit in her name. He coerced her into putting his costs on her credit card and interfered in her employment, meaning that she lost her job. When she left, Lara's partner was convicted and he was sent to prison, yet she was left to deal with the debt accrued in her name. Lara approached Surviving Economic Abuse (SEA) for support as the detrimental effect on her credit is preventing her from regaining her financial independence.

A 'breathing space' would have 'helped give me time to work things out without having to deal with threatening letters, which was really distressing. When I left, the realisation and gravity of the situation hit me. It was a difficult, stressful, and worrying time. I am paying the price for being in the relationship...paying off debt, trying to repair a damaged credit score and unable to move on.'

Case study provided by Surviving Economic Abuse

*name changed to protect identity

Care leavers and debt

There are approximately 37,700 care leavers in England aged 16 to 21. Last year approximately 10,000 young people aged 19 left the care of their local authority in England and began the difficult transition to adult life.[19] Care leavers often have no financial safety net from their family or support networks to rely on if they fall into difficulty. They are often living on a low income and are much more likely to rely on the social security system when they become an adult.

The Centre for Social Justice found that 57% of young people find it difficult managing their money and avoiding debt when leaving care.[20] Research by the Joseph Rowntree Foundation outlines how the 'accumulation of debt, threats to their tenancies and their inability to avoid this through careful budgeting' were issues of continuing concern for care leavers.[21]

Work undertaken by councils as part of The Children's Society's campaign to exempt care leavers from council tax has shown the level of council tax debt amongst these young adults. Rochdale Council found that 77% of their care leavers were behind with their council tax payments[22] and Swindon Council reported that whilst only 30 care leavers had a council tax liability during the financial year 2016/17, many of these individuals were taken to court to obtain payments.[23]

A 'breathing space' for young people leaving care would make a huge difference, helping those struggling with unaffordable debts to get the advice they need to set up a plan to affordably and sustainably repay what they owe. This would help them in their transition to adulthood.

Aaron, 21, is a care leaver from Lancashire.

'There's a massive difference financially when you leave care because you don't get things paid for you anymore. I got into debt quite fast with council tax and my phone bill through sheer ignorance and a lack of understanding.

'I was on benefits but I had good intentions and worked out a budget. All of a sudden I realised that things you don't expect pop up.

'Every time I got a letter I was genuinely scared. Instead of asking for help, I was just embarrassed. I was summoned to court for my council tax debt and I was really stressed because you can get fined £1,000 or six months in prison. I also got behind with my phone contract and additional data charges and ended up owing more than £1,000.

'I had bailiffs coming round which was really nerve-racking. Your heart starts pounding. I would push a book shelf in front of the door.

'The Government should give us more time to get financially stable. It's really important that this Breathing Space scheme goes ahead and we get the help we need to pay back debt without extra fees and charges.'

Case study provided by The Children's Society

Single parents and debt

In 2016, single parents made up 20% of clients advised by StepChange Debt Charity, despite making up less than 10% of UK households.[24] A third (34%) of single parents surveyed were in arrears on household bills, with some facing significant debts – around two-fifths owed at least £5,000.[25]

Single parents face debt for different reasons. Some incur debts when setting up a new home after separation, other debts simply reflect the fact that single parents' finances are often tight. Significant constraints are placed on incomes by barriers to entering and progressing in work as both the main earner and main carer, and the disproportionate impact of welfare reform on single parent families. In addition, many single parents don't receive child maintenance from their child's other parent.[26] High living costs – particularly rent and utility bills – make it harder to live on a limited income.

Limited finances mean many single parents only just manage basic financial outgoings. Seventy one percent of single parents found managing household bills 'always difficult' at best. As a result, many report that financial 'shocks' – such as an appliance breaking down or a car failing an MOT – can easily tip the balance and lead to debt. Some single parents have had to borrow money to cover basic outgoings such as grocery shopping or council tax bills – whether they're in work or not.

A breathing space scheme would help single parents who find themselves facing problem debts. While support for debt prevention and adequate finances are needed, assistance with debt management is also necessary for those who get into difficulty. A breathing space scheme would help to address this.

Emma had a career before having her two children, but became a single parent and had to move back to the UK after living abroad with her husband. With two children, she had to start over and incurred debts as a result. With Emma only able to afford the minimum payments despite carefully managing her outgoings, her debts persisted over time. She also had catalogue payments to spread the costs of new items.

While she had managed to find work in the UK (self-employed and part-time), Emma felt this hadn't helped to pay off her debts. Self-employment was hard to sustain with two primary school children, particularly during school holidays or if they were sick. The precarious nature of self-employment led to further problems. Her main client went out of business, still owing her substantial fees. She was left with just her job working six hours a week. Debts increased and Emma returned to Job Seeker's Allowance; she then had to deal with a delay in benefit payments (particularly housing benefit).

Emma found another job, but her income was still only enough to cover essentials, leaving her debt looming over her. Her finances had worsened and, despite entering work, the financial and emotional strain she was under was significantly worse.

Case study provided by Gingerbread

Mental health and debt

Money and mental health are intricately linked – mental health problems make it harder to earn money and manage your finances, and living in financial stress can harm your mental health. There are over three million adults in the UK with both mental health problems and financial difficulties, and this number is growing.[27]

People with mental illness are more likely to have financial difficulties – 1 in 4 British adults with a mental health problem has problem debt.[28] In a survey by Money and Mental Health, 72% of people with experience of mental health problems said their mental health made their financial situation worse.[29]

Low income and low levels of employment make it more difficult to manage on a budget, and periods of poor mental health can lead to sudden reductions in income through time off work or increased costs (such as taking taxis when someone can't manage public transport). Cognitive ability, memory problems and difficulties engaging with creditors also result in increased financial difficulties. Many people with mental health problems often have fluctuating spending related to their condition, leading to further financial difficulties.

Financial difficulty can also lead to poor mental health. The same survey by Money and Mental Health revealed that 86% of people with experience of mental health problems said their financial situation made their mental health problems worse.[30] A phone call from a bank or final demand letter from the electricity company can be stressful and unsettling, and this can make it difficult for people to seek help. People with problem debt are twice as likely to develop major depression as those not in financial difficulty.[31]

The damage of debt also has an impact on the mental health of children. The Children's Society found

Jim lives with his wife Margaret and their four children.

'Margaret has arthritis and suffers with anxiety and depression. I am a carer for my wife and we are on benefits. My eldest daughter Lauren is 13 and she was being bullied and she began to wet the bed. I had to wash and dry clothes and bedding every night. I managed to cope until the massive electric bill arrived at the same time as the washing machine broke. I started to go to the laundrette, which cost a fortune, and then I picked up parking fines from parking outside the laundrette. I took out a loan to buy a new washing machine and then Margaret showed me all the letters she had from banks and catalogues she owed money to.

'I wanted to try and sort it all out, but I was overwhelmed and the thought of making a phone call or opening a letter made me feel sick with worry. I couldn't sleep and stopped paying normal weekly bills I had paid before without any problems. I was supposed to be the one looking after my family, but I was now suffering with my own mental health problems because of the debts.

'I did eventually go to a local advice centre and get help, but it took time as I was so ashamed of my situation. What was horrible was how quickly one debt led to another and how everything spiralled out of control. We nearly lost our home.'

Case study provided by Caroline Read

it is not the amount owed by households that directly impacts on children's well-being, but the number of creditors they owe money to,[32] with StepChange Debt charity clients having around six creditors on average.

Many banks and other creditors already operate informal breathing space schemes and this is welcome. However, a statutory scheme which freezes interest, charges and enforcement (which included all creditors) when a client seeks debt advice would be much more beneficial and effective. Public sector creditors such as local authorities and the Department for Work and Pensions need to be included for the scheme to benefit those most in need and at most risk from suffering from both poor mental health and serious financial difficulties.

A breathing space scheme would be a vital protection for those with mental health problems, both to help protect them from falling more deeply into debt, and to limit the impact that debt can have on mental health.

The new Money and Mental Health Service at Rethink Mental Illness believes that a statutory breathing space scheme would be very beneficial to their clients. Such a scheme would give those experiencing financial difficulties the time and space they need to set up an affordable repayment plan, and therefore reduce the negative impact on their own mental health.

Ian first experienced mental health problems in his teens, but a few years ago things became particularly bad and he was signed off work with depression and anxiety. Although Ian receives Employment and Support Allowance, he has a lot less to live on than he used to and managing money has been hard.

While he was particularly unwell, Ian was contacted by his council to say that he was behind on his council tax. Unfortunately, Ian's direct debit hadn't been set up correctly, and before he knew what was going on he had missed several payments. Ian's depression makes opening his post very difficult, so he wasn't able to deal with the next few letters from the council. He says: 'I'd pick up a letter and feel sick'.

The longer it went on, the worse Ian's anxiety became, until his mental health deteriorated to the point that he felt totally unable to deal with the situation. By the time Ian was able to contact the council to tell them about his mental health, his debt had already been passed onto debt collectors, resulting in extra charges that were soon higher than the council tax debt itself.

Case study provided by Money and Mental Health Policy Institute

Unemployment and debt

Debt is often a symptom of unemployment. For almost half (46%) of Christians Against Poverty (CAP) clients, unemployment was a contributory factor to their financial difficulty. No one is exempt from the threat of job loss, it can be unexpected and blameless, and is always a risk for lenders. The income shock when suddenly facing unemployment makes it difficult to pay bills or repay debts, and almost impossible to budget. It can take time to transition to benefits or back into work.

Falling into debt can be the only option for some families, as 2 in 5 households have less than £100 in savings.[33] For people unemployed for a long time, unemployment benefits are often the only source of income and this can mean it is difficult to save. As a result any unexpected pay outs (eg a broken boiler) create instances where people are forced to use credit as a coping mechanism.

Losing a job, having to proactively search for new employment in order to receive benefits, and high levels of uncertainty all cause heightened amounts of stress. On top of this, the pressures of debt – such as creditors demanding repayments, threats of enforcement action and the possibility of eviction – can exacerbate the situation.

A breathing space scheme would allow time for unemployed people to focus on their situation, to either find a new job, start a benefit application, visit the Jobcentre to search for vacancies, and (where possible) work out a new budget, and negotiate new repayment terms with creditors.

Unemployment is a life event that affects many people, and like Matthew, many feel they have very few options. A 'breathing space' would provide the much needed time and space from creditors for people to face their situations and adjust their finances around a new budget.

Matthew was earning almost £30,000 and living comfortably.

'I never imagined that I would lose my job. I was working for a family business, selling advertising in a business magazine, but as times got tougher the business made cuts and I was one of the first to go. Although I didn't see this coming, I thought I would be able to get another job easily enough. I was living off my savings, but they didn't last long.

'I transferred to an interest-only mortgage and signed onto Jobseeker's Allowance. I gradually became more and more stressed. Nine months after I lost my job, the mortgage company threatened to repossess my home.

'There's one night I remember vividly. It was 3am one winter morning, I was seven floors up and had a balcony. That night I was at my lowest point and almost committed suicide.

'CAP came into my life after one of my weekly trips to the Jobcentre, I was handed a leaflet and two days later I made the call. I'm so glad I did. There are many reasons people can get into debt, for me it was unemployment, but you shouldn't be ashamed. It can happen to anyone.'

Case study provided by Christians Against Poverty

Young carers and debt

Hundreds of thousands of children and young people in Britain lead hidden lives as young carers for parents, siblings and other family members. They may administer medicine, oversee household chores, and manage the family budget.[34] Young carers can miss out on making friends and are more likely to under-achieve, with caring duties leaving little time for homework or socialising.

The official census identified over 160,000 young carers in England, although this figure is likely to be the tip of the iceberg. Other estimates suggest there could be 700,000 young carers across the UK.[35]

Young carers are often worried about financial strain on their family.[36] This includes struggling to pay for bills, food and clothes, and worries about debt and bailiffs.[37] Young carers often live in households with significantly lower than average income[38] and disabled adults are more likely to live in poverty.

Many young carers will soon face further hardship with the rollout of Universal Credit, which abolishes the Severe Disability Premium (SDP). The cut will affect at least 40,000 children of severely disabled single parents.[39] Worryingly, 83% of SDP claimants living alone or with a young carer said they would cut back on food and 80% said they would cut back on heating as a result.[40]

Usually as a result of illness[41] in the family, many children find themselves taking on enormous stress and caring responsibilities whilst the family struggles financially. Where this disruption leads to problem debt, a 'breathing space' could take a weight off these young carers' shoulders and help prevent a spiral of debt for these families.

Melissa, now at university, has been a young carer for her disabled mum since she was 10. She describes how caring responsibilities, money worries and debt have left her feeling drained:

'My mum is often in so much pain she can't get out of bed, so working isn't an option.

'There have been problems with my mum's benefits, which have always been a lifeline for her. Her housing benefit was wrongly stopped which meant she fell behind with rent, and so my family was evicted from our home.

'Last Christmas was hard. There was a weight in the air because of worrying that bailiffs could turn up at any time and put us on the streets.

'Sometimes my mum's depression and insomnia leave her unable to sleep for four days at a time, which in turn worries me and affects my own mental health.

'It's draining when you've been witness to it for years. We need a chance to get back on track, not worrying about someone turning up at the door for money.'

Case study provided by The Children's Society

Conclusion

As this collection of studies shows, various life events can lead families to fall into problem debt, from which it can be difficult to recover. A breathing space scheme, combined with the longer-term protection of a statutory debt management plan (where appropriate), would help many vulnerable people affordably and sustainably repay what they owe and get the advice and support they need.

Endnotes

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