



Community Money Advice
Impact Report
2022 – 2023

cma

Freedom from debt

Hope for the future



Introduction from Heather Keates, Founder & CEO

When I founded Community Money Advice in 1997 little did I imagine that our first centre would eventually grow into a network helping thousands of people every year with problem debt or that the need for debt advice would increase to the extent we are now witnessing.



In CMA's 26th year we have continued our mission to bring life-changing support to our local communities. Amidst a cost-of-living crisis that continues to bite, and increased regulatory requirements, our centres have worked tirelessly to maintain high-quality advice and support.

This report demonstrates the scale of that work across the UK; each statistic, quote and story represent individuals, families and communities impacted beyond measure by your hard work, care, and expertise.

By drawing together these national statistics here we can reflect on our collective efforts, celebrate, and take fresh encouragement and motivation from our achievements.

We can also look forward together; working with the CMA Staff Team, our biggest priorities are to support and resource you. This year we will consult all centres regarding a potential change in how we relate to the FCA; build greater connections between centres and use our voice in national forums to represent advisers' and clients' interests.

We know the need is great. A massive well done and thank you for all your hard work meeting that need.

Heather Keates, Founder and CEO, Community Money Advice

CMA's Work

CMA celebrated its 25th anniversary in 2022, from one centre in West Sussex it has grown to a network of 187 centres around the UK, with one of the most recent affiliates being CMA's first centre in Northern Ireland. Centres are run by churches and faith groups, community groups and in partnership with other charities such as foodbanks and the Salvation Army. The driving force behind CMA's centres has always been to help people trapped by debt to find freedom through three key elements: regulated debt advice, money management skills and ongoing face to face support for as long as it is required – a unique offering amongst debt advice providers in the UK.

CMA Connect

In 2019 CMA expanded its work by creating CMA Connect. CMA Connect centres assist clients with budgeting and provide face to face relationship and assistance; regulated debt advice is provided for clients by CMA's central Hub, utilising information carefully gathered and recorded by centre staff, meaning that CMA Connect centres do not require FCA authorisation. There are now 37 CMA Connect centres, staffed by CMA-trained Money Mentors.

Future Developments

CMA has recently secured funding to further diversify its model and enable even more local groups to provide support to those who need it most.

Whilst most of CMA's centres are in England and Wales, there have been recent significant developments in Scotland and Northern Ireland.

Scotland CMA Scotland has grown from 5 to 12 centres in two years, representing the fastest rate of growth within CMA’s national network. Scottish centres also include the largest proportion of CMA centres run in partnership with the Salvation Army. CMA’s work with the Salvation Army continues to be fruitful and two of Scotland’s new centres come under this partnership.

CMA Connect is the biggest driver in CMA’s expansion within Scotland, due to Scottish law requiring that debt advice be given by approved money advisers (MA), trained through Scotland’s ‘MATRICS learn’ platform. Once accredited, advisers’ authorisation is attached to them – if a centre loses its adviser that centre can no longer provide advice. CMA’s Hub is close to having its first approved MA, with plans for more Hub advisers to undertake MA training. This provides a sustainable way forward for Scottish CMA Connect centres, and a foundation for further growth.

It has also been an intense time of preparation for Scottish CMA Connect centres themselves. Money Mentors from newly affiliated centres have been undertaking training. Existing centres have been bolstering capacity whilst working primarily with clients who need budgeting support.

The demand for advice is rising: Scottish CMA centres have seen an 83% increase in new cases in 2023 compared to 2022. The average debt managed per client in 2023 has also risen significantly; clients are on average £30,380 deeper in debt than clients from the previous year. There are plans to grow CMA further into regions of Scotland, particularly the north and west.

Recognising these developments, CMA will be doubling OSM hours devoted to Scottish CMA centres from November 2023. This will provide excellent support for all Scottish centres and additional encouragement for the CMA Connect centres

Northern Ireland In September 2023 CMA launched its first centre in Northern Ireland – Lisburn CMA Connect. Run by Lisburn City Community Trust the staff undertook in-person CMA Money Mentor training and are anticipating a significant volume of clients through their other projects – including Lisburn Foodbank and Social Supermarket. CMA is currently applying to be a Competent Authority for DROs in Northern Ireland, to facilitate the work of Lisburn’s centre and to lead the way for further centres to open in the region.

CMA Snapshot

- **Annual Spend 2022/2023 £825,308.86³**
- **190 centres = 130 DAC + 21 Satellites + 39 Connect**
- **25 of these (10 Connect, 5 DAC) preparing to open**
- **Over 1000 staff working in local centres, the majority of whom are volunteers⁴**
- **CMA has 10,603 active cases, of which 5,782 are full debt advice cases⁵**
- **These active cases represent £63,130,690 of debt managed, an average debt of £10,918 per client⁶**
- **CMA advisers have helped to secure £33,247.64 total extra income for these clients⁷**

¹ The final percentage will likely be higher. Figures are taken from centre audits. Two centres have yet to be audited this year.

² The 2023 figure represents the average debt of a client assisted by Scottish CMA centres that have been audited in 2023. There are two yet to be audited in 2023.

³ CMA’s financial year runs from June-May.

⁴ Figure drawn from centre audit information for 2022.

⁵ Snapshot statistic recorded on 05/10/2023.

⁶ Snapshot statistic recorded on 05/10/2023.

⁷ Snapshot statistic recorded on 05/10/2023.

Understanding our Clients

Just like millions of people across the UK, many of CMA's clients are struggling with insufficient income and building arrears. Across the network, you have reported a significant proportion of clients in deficit budget, with 67% of advisers seeing deficit budgets 'very often', and 24% seeing them 'often'.⁸ Cases are increasingly dominated by priority debts, and some are extremely complex.⁹

In 2021 CMA centres saw 3987 new full debt advice cases across the network. In 2022 this increased to 5895, a 48% increase. To the end of September 2023, 5091¹⁰ new cases have been recorded, which suggests the upward trend is continuing.

CMA's clients are most likely to be in the 41-59 age bracket (45%) with the next biggest group aged between 25-40 (34%). Only 5% of clients are aged 18-24 and 16% of clients are over 60. Most clients (96%) make single applications and almost 1 in 3 clients have children. Clients have an average monthly income of £1,138.88 and £1,145.14 expenditure – on average each client has a deficit of £6.26.

You have highlighted several factors driving the challenges clients face: these include insufficient benefits (especially for clients who are single/single parents/disabled), lack of awareness of the full scale of welfare entitlement, poorly paid work and zero hours contracts, poor mental health and the myriad restrictions on

⁸ CMA response to MaPS call for evidence on debt advice clients with negative budgets, 2022.

⁹ CMA response to MaPS call for evidence on debt advice clients with negative budgets, 2022.

¹⁰ This is the figure drawn from centre audits to date October 2023. Some centres have yet to be audited this year, so the final figure is highly likely to significantly higher.

benefits claimants including the benefits cap,¹¹ the two-child limit,¹² the bedroom tax and the low award rates for PIP. (80% of negative decisions are overturned on appeal.)^{13/14}

Accordingly, you are spending significant time on helping clients with benefits: checking entitlement, applying for benefits including PIP, DHP, CTR, and appealing incorrect PIP decisions as well as helping those, who are able, to find work.¹⁵

One of our centres shared this client story, which is illustrative of the difficulty many clients are having in accessing benefits and the way in which this can leave them trapped and vulnerable.

Maggie suffers with chronic tiredness and poor mental health. Universal Credit wasn't covering the essentials, and she routinely missed NHS appointments due to being too anxious to leave the house and transport being unaffordable. Since we met Maggie, she has been rushed to hospital twice and told she was within hours of dying due to severe anaemia.

We supported Maggie in applying for PIP and to request a move to the LCWRA group of Universal Credit. The PIP application came back as '0 points'. We asked for a mandatory reconsideration and supported Maggie through a year-long wait for an appeal.

¹¹ <https://www.independent.co.uk/news/uk/dwp-greater-london-government-wales-scotland-b2323511.html>

¹² https://cpag.org.uk/sites/default/files/files/policypost/Six_years_in_two_child_limit-final.pdf

¹³ 2 Personal Independence Payments to January 2023: <https://www.gov.uk/government/statistics/personalindependence-payment-statistics-to-january-2023> quoted in <https://z2k.org/wp-content/uploads/2023/03/Z2K-White-Paper-briefing-March-2023.pdf>

¹⁴ CMA response to MaPS call for evidence on debt advice clients with negative budgets, 2022.

¹⁵ CMA response to MaPS call for evidence on debt advice clients with negative budgets, 2022.

She told us that she has often sat in her yard weeping at her inability to take her kids anywhere – both because of her fear of the world beyond her front door and having no money to be able to do so. She lives in a virtual prison caused by poverty and illness.

The 90-minute hearing before a judge was brutal – Maggie was reduced to tears and fled the courtroom, wanting to go home.

We stayed to await the decision – it was a successful appeal. Maggie will not only be receiving the back-dated PIP that we had applied for, but also the additional Universal Credit uplift. She is looking forward to taking her children to the seaside for the first time. For someone who has been trapped in an invisible prison for years, this represented a miraculous break out and rescue that is difficult to describe, and a significant change in Maggie's future.

CMA adviser

Maggie's story illustrates the huge difference made by taking time and walking alongside a client over many months. Those who worked with Maggie supported her to see through her appeal, amidst significant discouragement. Ultimately Maggie was empowered to claim what she had always been entitled to – just as so many clients are when they receive your help with the benefits system.

Client Feedback

Feedback from CMA clients is overwhelmingly positive and demonstrates that the debt advice and support delivered by you has a positive impact on clients' mental health and financial competence. 93% of respondents to our client survey feel better about themselves and more confident about the future because of the help they have received, 95% of respondents feel less stressed/anxious about their financial situation and 93% feel more confident in managing their finances going forward.

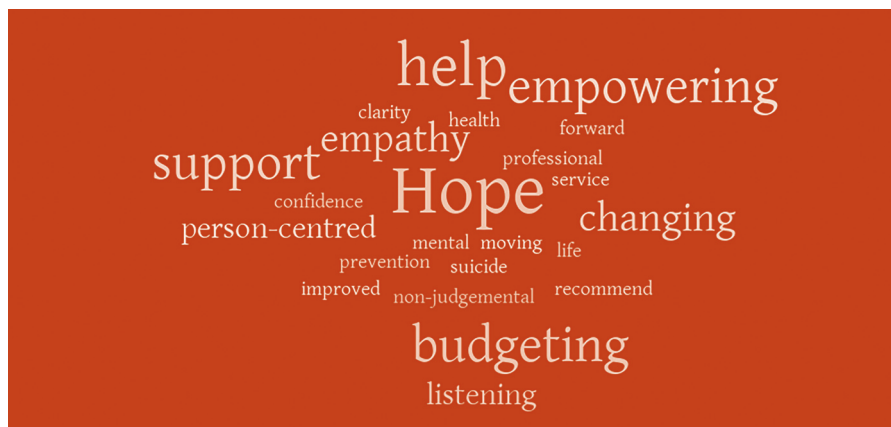
Respondents also rate the help they receive as high quality; 99% of respondents reported feeling happy with the support they received through the advice process and with follow up, 97% of respondents felt the advice they received took into account their personal circumstances and needs and 97% of clients who responded felt advisers kept them well informed throughout the process.

This client's story illustrates the huge impact that your work can have on all areas of people's lives, as the burden of debt is lifted, clients are able to work through underlying issues:

The help and advice I received from when I first contacted the debt advice centre was excellent. I was completely broken, I had alcohol issues, I was homeless, and I was overwhelmed with debt. Steve and Tom, my advisers, were so considerate and understanding, not only with my debts but with my overall situation. Very quickly things were put in place to allow me to concentrate on my wellbeing. Steve even assisted me with my housing situation, putting me in touch with someone who helped me sort out a place to live. Meanwhile Tom was dealing with my debts. Tom kept me up to date with the different procedures involved in resolving these debts. I was also given the tools to help manage my money going forward, which proved invaluable. All this happened at the beginning of 2020. Now 3 years on I have been through rehab to address my alcohol issues and I am two and half years dry, I've got my own flat and life is amazing. Steve and Tom were there for me when I was at my lowest and I will always be grateful for the help and compassion they showed me.

CMA Client

The 'word cloud' on the next page features language used by clients to describe the assistance they received and how they have benefitted. Each of the words and concepts here featured numerous times in client survey comments collected over a 12-month period from 2022-2023.



Training Undertaken

All our amazing client impact is facilitated by your engagement with training. As you utilise the skills and knowledge you have gained and build on these through specialist training, clients receive the best possible support.

During 2022 hundreds of new advisers and money mentors completed training with CMA.

| Training Course | No. Trainees 2022 |
|--|-------------------|
| CMA Level 3 Award (MaPS accredited) | |
| Part 1 Generalist Debt Advice Training | 273 |
| Part 2 Generalist Debt Advice Training | 253 |
| Part 3 Generalist Debt Advice Training | 137 |
| CMA Level 4 Award (MaPS accredited) | |
| Part 4 Casework/Specialist Training | 98 |
| Part 5 Casework/Specialist Training | 75 |
| Part 6 Casework/Specialist Training* ¹⁶ | 86 |

¹⁶ Also standalone Insolvency training.

62 Money Mentors completed CMA's bespoke training, learning budgeting support, collecting and collating clients' financial information and making referrals to CMA's Hub for regulated debt advice. 109 people undertook budget coaching training and are now equipped to support individuals and families to budget and live within their means. In Scotland, where training is delivered solely through MATRICS learn, a centre manager with oversight of two CMA centres has recently gained approved Money Adviser status. Several other advisers are currently undertaking the Money Adviser training.

The Debt Advice Landscape

There have been significant developments within the debt advice sector during the last 12 months. The FCA's Consumer Duty standards came into force on 31st July 2023, implementing higher expectations of protection for customers across all FCA regulated financial products and services. As debt advice providers, who exist to serve clients' interests, our centres have always sought to provide excellent services to clients. Nonetheless the Consumer Duty has implications for you in terms of adjustments to policies and procedures, ongoing assessment, monitoring and reporting, and communication to all centre staff to ensure understanding and compliant practice. This has necessarily created additional work for all of us during a period of already high demand.

During 2022-2023 the network has also participated in sector wide surveys, most notably the MaPS' *Call for evidence on debt advice clients with negative budgets* and the government's *Review of the personal insolvency framework*. You have submitted considered and relevant comments which give voice to your concerns as advisers and those of your clients. This input directly influences national bodies and grows knowledge across the sector as well as enabling CMA to speak into important conversations and raise our profile. Thank you for the time and effort you have put into responding to these consultations.

A Final Thought

The challenges you are helping clients to navigate and the high quality of advice and support you are providing, in the face of increasing demand, illustrate your resilience and compassion for those whose lives are blighted by debt.

I want to join in with the many clients represented in this report to reiterate my heartfelt thanks for all you are doing and to echo the prayer shared in this last client story.

I am extremely satisfied and happy with the service and advice I received from CMA, from the manager Amy and her team Sarah and Bea. I was feeling helpless and clueless, I was unemployed, having issues in my personal life and I was in debt; it was the first time I'd had to apply for benefits and, as a single parent, I felt extremely distressed about my situation. It was a period of trauma.

In February 2022 I casually dropped into the church to pray as I was passing by. When I stepped in, I discovered CMA Debt advice. I suddenly had the courage to ask for help from the staff in the café and was introduced to Amy. She took down some of my details and asked about my situation and the debt I owed. Amy assured me the team would do their best to help me pay off my debts through putting a plan in place.

Bea and Sarah liaised with the third-party debt collection team and kept me informed. In subsequent appointments they showed me empathy and understanding and were incredibly patient whilst undertaking the time-consuming work of sorting out my finances. I honestly felt like the advisors were like angels sent by God; their help to overcome the stress of debt and financial issues has been one of the biggest blessings of my life and I can't thank them enough for the enormous support they've given me during this difficult time.

Bless you and I'm sure you will continue to be a blessing for many others.

Heather Keates, Founder and CEO, Community Money Advice