

DEBT/OUTREACH WORKER

The demand for debt advice continued to rise as more people either lose their jobs, hours they work reduced; relationship problems; increased vulnerability due to ageing, alcohol/drug dependency, mental health issues; and generally low income as a result of benefit only income.

Clients have presented debt issues in different areas particularly, **fuel debts, water debts, consumer credit debts, council tax arrears, secured loan arrears, parking fines, telephone arrears, overpayment of benefits.** Other areas of advice include mis-sold PPI, identity frauds and underpayment of PAYE.

According to the figures released by the Office for National Statistics on 14 March 2012, UK unemployment rose by 280,000 to a total of 2.67 million. The effect of unemployment on the pockets among others on those affected is farfetched.

With the cost of living on the rise more clients are experiencing fuel poverty due to the recent rise in energy costs among other things.

Fuel debts continued to be a huge problem for the majority of our clients who are on benefits and those who are vulnerable. On average this client group spend about 50% of their income on gas and electricity.

A household is defined as living in fuel poverty if it spends more than 10% of its income on fuel.

According to the new study by energy efficiency expert Camco there are currently 6.4 million household living in fuel poverty in the UK and this figure could rise to 9.1 million by 2016.

Early this year I attended a Conference '**Hard Hit in Lewisham**' and the main focus of the conference was to outline issues from the perspective of Lewisham residents. Different voluntary sectors participated and the cases presented were all pointing towards the same direction – hardships faced by Lewisham residents made worse either by the actions of the DWP, Council and Government policies.

I have continued to help alleviate the financial and mental stress caused to our clients by negotiating repayments with energy companies.

I have assisted clients who are customers of EDF, BGas and Npower in making application for financial assistance towards their utility arrears and I have had successes. **The most recent (May 2012) award from EDF was for £619 to a client. I have negotiated for vulnerable clients to be placed in Priority Register and Social Tariffs.**

Water debts are common and most of my clients are struggling with payment of their water rates (£6/week on average) due to low income and the fact that it constitutes about 8.5% of their income. A good number of my clients who are either Council or Housing Association tenants are currently threatened with possession and some have faced eviction due to rent arrears caused by non payment of the water element of rent. **Some social tenants are not aware that they should pay their water rate regularly but arrears could be as much as £1248 over 4 years if no payment is made at all.** The consequence may be eviction due to rent arrears notwithstanding that realistically it is water arrears but technically water rate forms part of their rent thereby making it a priority debt when in arrears.

I have continued to assist my clients to make application to Thames Water Trust Fund for financial assistance. **So far I have had 100% success rate and the most recent award (March) was for £2450 to a client who also was the recipient of an award of £615 from EDF.**

I have approached Thames Water about the predicament of my clients who pay water rates to social landlords as part of their rents. Unfortunately they are unable to assist unless the Court has ordered a client to pay a

lump sum of money towards their rent arrears so as to avoid eviction. In order words only applications from clients who are on the verge of being evicted will be considered.

Consumer credit debts are still on the increase particularly with the subprime lenders. **I educate clients on financial capability, the use of Common Financial Statements, and creating awareness on budgeting and money management.**

I have also continued to challenge the enforceability of some of the consumer credit agreements using relevant Legislations.

The number of clients enquiring about Debt Relief Order has been on the increase. Nevertheless some clients are still not able to afford the £90 fees required to make an application. I have continued to assist clients to apply for grants from EDF and British Gas for this purpose.

At the start of 2012 a client was keen on bankruptcy but could not afford the cost £800, I helped him to obtain financial assistance from **Elizabeth Finn Trust** (gives grant to professionals only).

A good number of clients seeking debt advice are on benefits only income and some of them have as little as £2 a week to spend on food and drink after paying for non discretionary expenditures like gas, electricity, water, TV licence, and discretionary expenditures like, phone, travel costs and ongoing deduction from benefits either due to overpayment of benefit or Social Fund (SF) loans.

In 2011, a client who was incarcerated for burglary visited the Centre with debt issues including rent arrears, council tax arrears, TV licence and overpayment of benefits. He is currently in receipt of Employment Support Allowance (ESA) of £71/week. His rent and council tax arrears accrued during his period of incarceration. I intervened and his council tax arrears was written off; he was faced with eviction and our housing specialist intervened and the court ordered him to pay £5/week towards the arrears and also pay the current rent i.e. the water element £4.60/week; he was visited by TV licensing personnel, a payment plan was set up with a proviso that he will be monitored and if he maintained payment he will not have to pay the associated costs, he did not managed to keep up with the arrangement and he incurred further admin cost of about £260. Sadly this client's financial situation has gone worse and he is yet again currently facing eviction.

The case scenario below is a typical example of how clients are empowered to take act for themselves. Recently one of my clients set precedence in Council tax when she challenged a 'grey area' of the Law. The outcome was that the Council's decision that she was liable for Council Tax was changed in her favour.

The client a full time student, her son a 23years old on JSA, lives with her. Client Council Tax liability was wrongly assessed and whilst I was assisting her she received a court summons for Council Tax arrears. She challenged the summons and the Council changed their decision and accepted that it was a grey area of the law which they failed to interpret appropriately and the summons was withdrawn. Nevertheless client is seeking financial redress for the inconvenience caused.

Needless to say it has been a very busy and challenging year but most importantly a rewarding one - a 'voice' to the 'voiceless'.

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