



Response to some of your questions:

1. I know nothing about Welsh Government's approach so I cannot comment on this.
2. It appears that public sector bodies are sometimes draconian in their approach to people in debt. Where we see a CCJ destroying a client's credit record, in most cases this has been put there by a local authority (admittedly sometimes also a water authority or a mobile phone company – these three are the most common). It seems that the private sector takes a softer approach! A person in debt responds badly to the sort of officious communications they receive from public organizations. They need to understand that they can negotiate. The officious approaches often push them to take an insolvency option (IVA, DRO) and then nobody wins.
3. The worrying thing here, which I know the FCA are aware of but have not as yet succeeded in preventing, is that people in debt fall prey to predatory debt recovery agencies. These will put people into unnecessary DROs and IVAs for their own profit. The good debt advice providers (Stepchange, Christians Against Poverty) are not well known and should be supported to expand their services.
4. Our own client group – unemployed or socially isolated, self-employed but coming out of difficult circumstances – have struggled financially, especially the self-employed who have not qualified for ANY of the Government or Welsh Government schemes. This has led to extreme hardship for many (including our organization which has been the only one to help and has been stretched as a result.) These clients are unaware (as am I) of any support available from Welsh Government – if it exists it is not well promoted to this group.
5. Discretionary Assistance Fund was not well promoted and completely unknown to anyone I came across. I told those I could about it. I don't know if anyone succeeded in getting it.

Affordable credit can make a big difference – if I may say so, especially ours because in providing finance to enable people to move into self-employment at an affordable rate, they can create their own income and thus a long-term, sustainable future which moves them away from the need to borrow. Good affordable credit providers such as Credit Unions providing funds for emergencies are also excellent – but I don't come across many in my client group who have loans from any of them. This is partly because they may not meet their criteria for lending but more likely that they don't know about credit unions or the Responsible Finance personal lenders. The vast majority that I see have loans with the bad high cost providers which compound the difficulties they are in. These are not because they are profligate spenders – they simply cannot make ends meet. The benefits system traps people in poverty. Affordable credit needs scaling up across Wales.



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