Industry Support for Single Tool to Help Indebted People

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The implementation of a Standard Financial Statement for the debt advice sector moves a step closer today as the Money Advice Service publishes the outcomes from a consultation on it.

The Statement will enable debt advisers to record clients' income and expenditure in a consistent way. This will help them to identify the potential debt solutions available to clients and negotiate with creditors.

Almost 100 creditors, debt advice providers, local authorities and individual advisers responded to the consultation, with the majority expressing their support for a single tool for the sector.

Many respondents welcomed the principle that the Statement should include a savings category which should encourage clients to save alongside making debt repayments. This could help them to build a buffer to cope with unexpected financial events which could tip them further into debt.

Many respondents also suggested that an online as well as paper version of the tool should be developed. The Service has accepted this suggestion and will develop an online tool.

The Service, working in partnership with others across the debt and creditor sector, will now press ahead with the development of the Statement, with a view to introducing it initially across the projects it funds. In the run-up to go live, it will undertake user testing with a range of debt advice organisations and creditors.

Caroline Siarkiewicz, Head of UK Debt Advice Programme for the Money Advice Service, comments:

"It's great news to hear that there is such widespread support for a Standard Financial Statement. This is another step towards our vision of high quality and consistent debt advice which will help indebted people across the UK.

"We recognise that implementation will require system changes in both creditor and advice organisations and we have allowed a period of 12 months to ensure these can be incorporated.

"I'm pleased that so many respondents supported the idea of including a savings category within the statement. This will help people to become more financially resilient and deal with unexpected financial shocks. We'll now work with creditors and debt advice organisations to explore how to incorporate this in the tool, in a way that works well both for industry and indebted people.

"We would like to thank all of the respondents who provided feedback on the consultation process so far and we look forward to launching the tool later this year."

More information about the Standard Financial Statement can be found athttps://www.moneyadviceservice.org.uk/en/static/the-standard-financial-statement-response

ENDS

For more information or to arrange an interview with a Money Advice Service spokesperson, please contactPressoffice@moneyadviceservice.org.uk

NOTES TO EDITORS:

1) The consultation on the Statement was launched in October 2014.
See https://www.moneyadviceservice.org.uk/en/static/the-standard-financial-statement-response

2) Prior to consultation, the Service worked with Citizens Advice, Money Advice Trust and StepChange Debt Charity to develop the proposals for the Standard Financial Statement

About the Money Advice Service

The Money Advice Service is an independent organisation. It gives free, unbiased money advice online at moneyadviceservice.org.uk, over the phone on 0300 500 5000, and face-to-face right across the UK. The Service was set up by Government and is paid for by a statutory levy on the financial services industry, raised through the Financial Conduct Authority. Its statutory objectives are to enhance the

understanding and knowledge of members of the public about financial matters (including the UK financial system); and to enhance the ability of members of the public to manage their own financial affairs.

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