



## Freedom from debt Hope for the future

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### COVID-19 could be accelerating a growing personal debt crisis

- Insecure consumer debt stood at £207 billion at the beginning of June and there were 3.2 million new Universal Credit claims during lockdown\*
- Debt Advice charity, Community Money Advice has seen a 400% increase in enquiries from organisations wanting to provide debt advice to their clients.
- Community Money Advice is responding by launching a new programme, CMA Connect, to enable more organisations help people experiencing debt and money problems.

Debt Advice charity, Community Money Advice has seen a 400% increase in enquiries from churches, Food Banks and community groups, exploring ways to provide debt advice to their clients. The increase reflects a growing concern in local charities that personal debt could become a serious problem for many people, as the economic effects of COVID-19 are realised.

According to the Bank of England, insecure consumer debt stood at £207 billion at the beginning of June and DWP recently confirmed that 3.2 million people made Universal Credit claims during lockdown. A reduction or complete loss of income can cause debt to quickly become unmanageable, leaving people feeling trapped and powerless.

**Heather Keates, Chief Executive Officer of Community Money Advice, says:**

***"COVID-19 has had serious economic effects on families across the UK. At the beginning of the year personal debt was at record levels. During the lockdown millions of people experienced a reduction or complete loss of income. We are concerned that as government financial support is reduced some people will find that their debt becomes unmanageable. We know this can leave people feeling overwhelmed and can lead to stress, relationship breakdown and health problems."***

Community Money Advice supports a network of 160 debt advice centres, where 1,200 trained advisors give free, confidential, face-to-face advice and support. The charity works with churches, community groups and statutory organisations and helps over 19,000 people each year. Community Money Advice believe that it is not fair that face-to-face advice and support is only available in some communities and are keen to work with local organisations to make sure advice and support is available to all who need it.

Responding to the demand from community organisations, Community Money Advice is launching CMA Connect, a simple, low cost way smaller community organisations can help people experiencing debt problems. Local volunteers provide support and the local organisation has access to FCA authorised debt advice provided by the Community Money Advice team.

**Heather Keates, says:**

**“CMA Connect is an easy way churches, community organisation and Food Banks can help people struggling with debt and money problems. We hope this new programme will enable more organisations across the UK to respond to the growing need in their community and help people find freedom from debt and hope for the future.”**

For more information, help and support, please visit [www.communitymoneyadvice.com](http://www.communitymoneyadvice.com)

\* Source: The Bank of England, DWP

**Ends**

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**Notes to Editor:**

**A list of Community Money Advice centres can be found at:**

<https://www.communitymoneyadvice.com/mapofcentres>

**Details of how to launch an advice centre can be found at:**

<https://www.communitymoneyadvice.com/opencentre>

**Community Money Advice:**

- For over fifteen years CMA has enabled churches and community groups to establish local, **free** to client, **face-to-face** debt advice services.
- CMA has a network of 160 affiliated debt advice centres across the country.
- Advice centres help thousands of people escape from the blight of indebtedness by providing free, unconditional, fully confidential advice and practical support to people from all walks of life.
- Advice provided to people is specific to their needs and advisers will give as much time and support as required until debts have been repaid and financial stability achieved; whilst the whole process also includes developing good money management skills.
- Last year Community Money Advice’s 1,200 fully trained volunteer debt advisers gave in excess of 300,000 hours of debt advice enabling over 19,000 people across the UK to access the face-to-face support they desperately needed find sustainable solutions to their personal debt issues.

- Last year the Community Money Advice network helped people to manage £154 Million of debt, of which £582,000 is currently being repaid via debt management plans.

Community Money Advice supports community groups to launch a professional, face-to-face debt advice centre. Affiliated centres receive:

- Assistance in setting up an advice centre
- Policy & procedure documentation
- CMA's freephone Adviceline
- Case management software & support
- Local support from our Operations Support Managers
- Special affiliate rates for generalist & additional CMA training
- Reduced affiliate rates for the CMA annual conference

For more information visit: <https://www.communitymoneyadvice.com/>