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With one in four British adults experiencing at least one diagnosable mental health problem a year, how can the credit industry help support debtors that face this problem?

By Paul Thompson

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MENTAL HEALTH AND THE COLLECTIONS INDUSTRY



Nobody knows exactly what triggered Derek Bird to arm himself with high-powered shotgun and go on a killing spree claiming 12 lives in the peaceful town of Whitehaven, Cumbria.

Opinion is divided. Some say it arose out of a family feud, others say he was cheated out of his space at the local taxi rank where he worked.

Recent speculation is that he owed money to the Inland Revenue who were pursuing him and the strain tipped him over the edge.

Scale of the problem

The Office for National Statistics reports that at least one in four Britons experiences a diagnosable mental health problem in any one year.

In a population of 61 million, according to 2008 statistics, this means annually 15 million Britons may be experiencing mental health problems at any one time.

The unspoken question on everyone's lips is: is there another Derek Bird out there waiting to strike? And I guess, in the minds of HM Revenue and Customs, the Child Support Agency and credit industry: is there a debtor out there, on the edge?

The *British Journal of Psychiatry* reports 12% of the population experiences depression annually, with women having a 29% higher chance of being treated for depression when compared to men at 17%, but these statistics are skewed because men are more unlikely to report and seek help for depression.

Herein lies the challenge. How many of these are coming into contact with debt collectors, and other creditors? And how are they coping? How can they be identified? What training is required to help? What are the signposts of mental health problems?

Mental health problems can be caused or result from a range of

factors. Some are biological, others are psychological and some are down to social causes.

One social norm that is consistent is unemployment. This, in itself, proves to be a challenge for debt collectors. How many cases of unemployed persons are held on the records of debt collection agencies (DCAs), and how often are they reviewed and how robust is the review process?

How many are males who are perhaps suffering with depression and undiagnosed mental health problems? The answer is nobody knows, but statistically we can safely say at least 25%, and I am sure we will all agree, 25% is too many.

So what can collectors do to help debtors who find themselves unable to cope with the stress of debts, and what are some high level signposts?

It is incontrovertible that professional DCAs have a moral mandate to provide training to raise

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>> awareness that mental health problems are increasing in the UK.

The responsibility to deal with this lies with the industry and should require no specific regulatory or legislative framework to address this, although arguably the OFT Debt Collection Guidance on Unfair Treatment encapsulates this.

Collectors should be trained to identify trigger words such as "I am really stressed and fed up with all these debts" or "If I kill myself, you will not get anything" or "you are forcing me to do something unpleasant" or "I cannot cope with this now, I am on medication for depression". How many times during the opening or close of the call have these statements been heard?

Admittedly some of these phrases are probably heard a few times per day, but staff need to sharpen listening focus skills to hear when it is said and judgment should not be made with regards to how it is said and within what context. The assumption here is that we do not have the skills to make this assessment, neither do we want the responsibly: leave it to the professionals.

Special treatment should be given to these debtors. It should be acknowledged that they need help, and DCAs should not help themselves to their helplessness.

A pastoral approach should be adopted towards these debtors. They should be treated fairly and with dignity in recognition that they need help. Many will be suffering from low self-esteem and a call of this nature should end positively, offering to help and giving hope.

DCAs should have robust procedures to flag suspected cases on their system with a view to ensuring debtors receive no letters, calls or visits. A process should be set up which ensures a relevant third party advocate is notified, such as a local CAB, Money Advice Lending Group, or Social Services.

Regulation

Perhaps, one focal point of contact through a trade body such as the Credit Services Association may be a better strategic move for the industry. It is acknowledged that issues such as this have data protection and other challenges which will need addressing, but these are not insurmountable. It is

also acknowledged that this process will add cost, but let us consider the cost of failure, which is incalculable.

In researching this article, I came across an article by mental health charity MIND. They conducted research into the impact of debt on people suffering from mental health problems. Here are a few notable recommendations, which they offer:

- ◆ Better regulation of bailiffs.
- ◆ Customers with mental health problems should be able to ask their bank to flag their current account and monitor it for unusual spending patterns.
- ◆ Banks to respond appropriately to missed payments by customers with mental health problems.

Debtors have names, they live lives, they are real people who face life challenges, daily, like all of us. They must be treated fairly and with compassion

- ◆ Energy and water companies to improve their service to people with mental health problems.
- ◆ Creditors should have procedures in place to ensure that people with mental health problems who are in debt are treated fairly and appropriately.
- ◆ Specialist mental health training for bank, DCA and debt buyers' staff.
- ◆ Training for health and social care professionals so that they can identify debt triggers and sources of help for money problems.
- ◆ Health and social care professionals to work with creditors and debt advisers when supporting clients who are experiencing problem debt.
- ◆ Advisers who are able to provide information about debt and welfare benefits to be based at GP surgeries.
- ◆ Development and dissemination of a guide to money management for people with mental health problems, to be distributed through GP surgeries, hospitals and third-sector mental health organizations.
- ◆ Improved access to money and debt advice services.

Conclusion

It was a crisp October morning at 7.30am when the phone rang. Jo Blogs and myself were early starters in the

office. He stuck his head in my office, visibly shaken and said: "Paul, you need to hear this."

On the other end of the phone was the muted sound of a lady, her sobs were heart wrenching. She began to describe happier times she had with her husband until he started out on his own. He ran a business, which got into trouble, which led to him being pursued by us along with many others.

She described how she fell asleep one night, thinking her husband was working late in the study, but to her horror in the morning she awoke to find he hung himself in the garage, a pile of letters lay strewn on the floor, one was from our company.

The words cut through my heart like a sharp blade. Was our letter the one which tipped him over the edge?

Three months later, I lost my best collector Jo, who took up a career in teaching. "This is no longer good for me Paul," he said, "I need to move on." The phone call had a real life-changing impact on him, and he was never the same again.

My own solution was not to leave the industry, but to remain and contribute towards building good standards, and underpin this by ensuring my staff are aware that debtors never become a faceless commodity.

They have names, they live lives, they are real people who face life challenges, daily, like all of us, and it is within this context that they must be treated fairly and with compassion.

I hope this article has some impact in bringing about change – a change of hearts and a change of mindsets. **CCR**



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