

Corporate Debt Case Studies

Case Study 1.

Customer is a single parent with two children, a little girl aged 4 and a young boy diagnosed with autism aged 9 years. She is in receipt of income support of £71.70 and also receives £114.00 child tax credit and £33.70 child benefit per week.

The case was referred from Bury CAB who were helping the customer deal with multiple debt issues. However they were very concerned as the customer had been served notice at the tenancy where the customer and her family were living and they were at serious risk of becoming homeless. Her private landlord had sold the property and the customer was struggling to find alternative affordable housing in the area.

The customer suffers with anxiety and depression and was clearly struggling to cope. She was also very concerned of the potential negative impact that changing her son's school would have on her son's health condition, if she was forced to do this.

As a result of a single case ownership approach the corporate debt manager took responsibility as the single point of contact to deal with all the multiple complex issues and fantastic outcomes have been achieved.

The customer had got deeper into debt when she was using her income support to contribute to rent payments and she became reliant on pay day loans to maintain her essential living expenses and before she knew it her debts were spiralling out of control. She has now successfully applied for a Debt Relief Order which has reduced her personal debt by £8000.00 and brought an end to costly pay day loans.

With the right advice and support in place the customer has been able to successfully secure appropriate housing with Six Town Housing. It is close to her son's school and therefore removing the risks of negative impacts on his health. This was achieved without the customer actually being made homeless and needing the local authority to provide and pay for emergency housing for the family.

The customer has been given clear budgeting advice and has voluntarily engaged with the family support programme who will help embed her new budgeting skills in order to prevent further problems.

The customer already had an NVQ level 3 in child care, she is now being supported with a refresher skills and confidence building course and there is already a marked improvement in her health. The customer is being supported to reach her goals and is working towards becoming a self-employed child-minder by the year end.

Other outcomes include – In order to reduce the impacts of under occupancy until her son's 10th birthday - An award of DHP has been awarded as this is a temporary situation and the customer is also actively helping herself.

The customer is hoping to be in sustainable employment which accommodates the needs of her family before her income support ends when her youngest child becomes five. Therefore preventing future stress and anxiety, removing future risks and avoiding potential sanctions.

Case Study 2.

Customer is a married man living in a Six Town Housing property with his wife and two dependent children, a boy aged nine and a girl aged five.

The case was referred by the strategic case conference review board as the customer had increasing debts across the council, including £1151.81 council tax arrears and £502.32 rent arrears. The family was also impacted on as result of the under-occupancy charges.

The customer was working until he has an accident in March 2013, due to his ill-health he was no longer fit for work and made a claim to employment and support allowance. His other income is made up of £110.00 child tax credits and £33.40 child benefit.

A full review of the customer's circumstances was carried out and several things came to light. Although he had applied for employment and support allowance at the right time, it was never actually awarded. Despite ongoing telephone call to DWP the customer was not able to get his benefits sorted out. As a result the only income available for the family to live off was the child tax credits and child benefit.

In order to help this customer deal with his debts we needed to make sure he had the means in place to pay. A full update on benefit entitlement was given and due to his improved the customer feels he is now fit and available for work. He agreed to attend the local library to complete his online application as he does not have access to the internet at home. When I followed up his progress it came to light a second visit had been needed as he had struggled and it had taken longer than expected.

A backdated claim to housing benefit and council tax support has submitted which if awarded will reduce this customers debt with the council by approx £1300.00.

As the customer is actively taking positive action to address his situation order a Discretionary Housing Payment has been awarded to help support the family in the short term. The customer is getting help from the CAB to apply for a backdated payment of Employment and Support Allowance.

On-going budgeting advice is being provided and payment arrangements have been put in place for his outstanding council tax and rent arrears. The customer agreed he would benefit with some additional support in order to reduce risks of the increasing sanctions being imposed on people. The National Careers Service who are now working in partnership with customer support and collections and are working with the customer with the customer to support him back to work.

Case Study 3.

Customer is a single lady who is suffering from anxiety and depression who currently lives in a Six Town Housing property. The customer has lived at the property for 28 years and her children have now grown up and left the family home. The customer has been admitted to hospital on a couple of occasions in the last two years when she has attempted suicide.

The case was referred from the under- occupancy team as the customer has mounting debts across the council including council tax arrears of £2296.74 and rent arrears of £1367.40. The team grew increasingly concerned when this customer threatened suicide whilst on the premises at Six Town Housing when being interviewed about her rent arrears and she has stated she is not prepared to move from her home.

Although an application was made for a discretionary housing payment an award was not made, as it was not thought that this short term fix would enable any long term positive solution. A corporate debt approach was adopted to offer an alternative approach tailored to meet the needs of the customer.

The customer is currently in receipt of employment and support allowance of £71.70 per week which is paid fortnightly. The customer receives £69.77 of housing benefit per week towards her rent which is currently £93.03. As a result of the under occupancy charge the customer is expected to make up the weekly shortfall of £23.26 out of her ESA. This would leave the customer with £48.44 per week to live off and this is without allowing any contributions to meet her priority debts and is therefore clearly not manageable.

Previous to this recent significant decline in mental health she held down full time employment, managed her mental health condition and coped with everyday life.

Some quality time was needed with this customer to start to build trust and explore how she could start to effectively deal with her current situation aiming aim for long term solutions.

The customers preferred option would be to secure paid employment this would then reduce the impact of all the other issues she faces but she accepts she will need support to reach this goal.

We agreed that a family support key worker was her best option to provide ongoing consistent support for twelve months and I agreed to put this voluntary support in place for her. Funding can be secured from the private sector to provide access to training to improve skills and increase confidence. An application has been made to United Utilities trust fund for a grant to clear outstanding debts of £2500.00 with them. Further action in respect of her rent and council tax have been put on hold and minimum arrangements have been put in place to deal with these priority debts. As long as these arrangements are maintained there will be no further action at this time. In order for the customer to effectively manage the arrangements they have been aligned to her benefit payday. As the customer now has a clear way forward and is actively doing something about her situation, an award of DHP has been made, increasing her income by £23.26 per week.

This customer was suffering serious social and financial exclusion and her declining health was at serious risk, if she had just been left unable to cope. Although we cannot predict what the future holds we have given her a clear way forward and are providing the positive support needed to help her make the transition back to work.

