



# Financial Health Service

Building Scotland's Financial Capability



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# What our world like now

## Consumer debt



www.shutterstock.com · 27555244

## Debt management firms



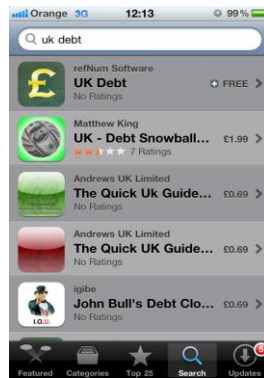
## Credit cards



## Business closures



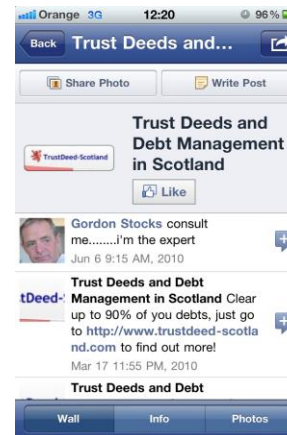
## New forms of communication & advertisement...



### Text Link Ads

Your site is money.  
Start acting like it!

.....easy  
access to  
debt



## Recession threats



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# The impact in Scotland

**Record number of businesses go bust as economy struggles**

By Steven Henry

RECORD numbers of Scottish businesses companies, come from court action for the recovery of debt and are not designed to save businesses. Meanwhile, although the number of

**More Scots going bust**

FINANCE

The number of Scots going bust during 2011 was almost twice the rate of

**When a splashy Christmas leads to a torrent of debt**

**RECORD RISE OF THE BANKRUPT YOUNG**

**Scots are deep in festive debt**

HARD-UP families in Scotland are racking up debts to pay for Christmas.

**Scots saving more, but debt is major problem for many**

**330 PEOPLE BUST A DAY**

NEARLY 330 people a day went broke last year - with some experts warning rising unemployment will trigger fresh misery. Some 28,973 people were declared insolvent in England and Wales in the last three months of 2011, taking the year's total to 119,830. The number, which includes bankruptcies, individual voluntary arrangements and debt relief orders - was down by 10% on 2010. But Louise Brittain, from accountants Deloitte, said: "We will see more households struggle as unemployment levels increase. We predict the number of individuals entering into insolvency in 2012 will top 120,000."

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# Financial Health Service



- Providing **rehabilitation** of individuals and organisations in relation to their financial pressures
- The development and delivery of a **range of debt solutions** for people in Scotland
- Debtors provided with **appropriate advice from qualified advisers** and aware of the range of options available to them
- An **education** role – seeking to impact on the culture and behaviours of individuals and prevent repeated financial issues
- Promotion of ethical lenders such as **Credit Unions**



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# Progress



- Changes to Debt Arrangement Scheme in support of people with high-interest debts
- Bankruptcy and Debt Advice (Scotland) Bill
- Compulsory Advice from Approved advisers
- Financial Education for most vulnerable
- '12 days of debtmas' and 'Hand with Debt' campaigns
- AiB's website to be re-branded as Financial Health Service – one stop shop



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# Financial Education – the challenge



- Learning module has been created
- Currently being piloted by people in Bankruptcy – will be mandatory for some
- Covers wide range of issues including budgeting, saving, borrowing, and life stage considerations
- Challenge – how do we extend the reach of the module?
- What other agencies can help with its delivery?
- What else would you like to see?



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# THANK YOU



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