

Money's too tight to mention

Imagine a world where you didn't have a bank account. Where you were constantly behind with your bills. Where you needed a loan to buy your child's school uniform, get Christmas presents, or fix the washing machine.

Then imagine if the only way you could get this money was to pay up to 400 per cent interest to the lender.

It sounds far-fetched, but falling into debt is an everyday occurrence for many social housing tenants. Just look at the facts.

The facts

- Around one in six social housing tenants doesn't have a bank account
- Approximately 45 per cent of tenants earn less than £200 (gross) per week
- Around 253,000 housing association tenants borrowed £165 million from one doorstep lender in 2006.

The solution

Friendship Care and Housing is taking action to prevent poverty, get people out of debt and help them to manage their finances for life.

Through its financial exclusion strategy, the association is supporting residents in four key ways:

- Providing free money advice, in partnership with expert agencies

- Helping vulnerable people to develop their financial skills
- Increasing access to regulated financial services, to help people reduce their outgoings
- Providing emergency accommodation and support to assist people in financial difficulty and experiencing related problems.

A wide range of projects and initiatives underpin the strategy. Friendship provides debt advice and credit union facilities; it promotes bank accounts and affordable home contents insurance; and is helping to develop employment opportunities.

The association also grabbed news headlines recently through its work with Birmingham City Council, providing emergency accommodation to victims of loan sharks. In one high-profile case, the association organised housing, confidential support and even food parcels to help a prosecution witness that had been kidnapped and attacked with a machete.

Friendship Care and Housing Quality Manager Sophie Hall said: "It's expensive being poor. The sad fact is that many people get into debt without understanding the implications of what they're signing up to.

"And debt affects everyone; it's not just about elderly and vulnerable people, but university students and families too. We know people who have borrowed £400 from doorstep lenders for a school uniform, but then paid back over £1,000 due to sky-high loan charges.

"We're supporting people in many ways, from community initiatives through to major policies that will roll-out across the Longhurst Group. Whether we're providing money advice booklets or negotiating pre-payment gas and electricity meters for the same price as standard supplies, it all makes a difference."

Over the next few months, the association will focus on how people can save money through comparing the costs of products and services. The aim is to help customers keep the pounds in their pockets, rather than lose out because they don't understand how interest rates and lenders work.

Further information

For further information about the Group's financial inclusion work, please contact Sophie Hall on 0121 233 8651 or e-mail sophie.hall@fch.org.uk



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