Money Advice Trust

Debt Advice Channel Strategy Research

Volume one – The client experience of channel choice, use and outcomes

Anna Ellison and Claire Whyley

The Money Advice Trust

Money Advice Trust is a charity formed in 1991, our vision is to help people across the UK tackle their debts and manage their money wisely. We work with government, the private sector and the UK's leading money advice agencies to:

- increase the availability of money advice
- improve its quality
- improve the efficiency and effectiveness of its delivery.

MAT's key activities are:

- Support to the debt advice sector through:
    - training
    - second tier support
    - quality assurance developments, e.g. accreditation
    - policy, research and evaluation
    - fundraising, facilitation and strategy development
    - direct service provision (National Debtline and Business Debtline).

Acknowledgements

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About the Authors

Policis is a social and economic research consultancy specialising in evidence based policy development and working for a wide range of government departments, charities and community organisations, both in the UK and internationally. Policis has a long-established consumer finance practice which has undertaken a significant body of work around credit and debt, consumer protection, financial capability and inclusion and financial services provision to those on low incomes.

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Foreword

How can the free money advice sector best support its clients, at a time when demand is forecast to rise significantly, whilst supply is threatened by cuts to grants and contracts? Can we continue to deliver good outcomes in new ways? How quickly can change occur?

This research brings together for the first time evidence around how people need and want to seek debt advice and how they could be directed towards the best channel to support their journey out of debt and into financial health.

The Money Advice Trust has been at the heart of money advice in the UK for 21 years. In addition to advising around 200,000 debt clients a year via National Debtline, Business Debtline and My Money Steps and, we touch the lives of around 1.306 million people in total, through these services, through training and supporting advisers, and funding grants for innovative projects and to support money advice infrastructure, including specialist support. Our purpose in commissioning this research - independently conducted by Policis - is to present evidence which can inform meaningful discussions around the future of money advice to support free advice providers and their beneficiaries. This is a vitally important time to examine the evidence. Demand for debt advice reached an historic peak in 2009, is still higher than it was prior to the recession, and is forecast to rise steeply over the next three years. At the same time, technological advances mean that new avenues for advice have opened up.

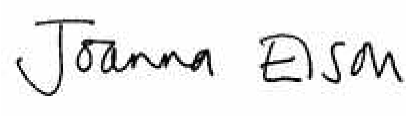
The research has therefore sought to understand how outcomes and experiences differ between channels of advice, the dynamics of channel choice and the potential for channel shift.

The good news is that across all channels, a significant majority of clients have experienced positive outcomes as a result of receiving debt advice. And the research finds that expanding the use of remote channels could enable advice providers to reach some groups of people more effectively. It is important to recognise that each channel carries its own benefits: for example phone and internet may provide greater anonymity and flexibility while face-to-face advice enables advisers to pick up on non-verbal cues where greater support is needed. Of course, in any future channel configuration we also need to consider the needs of those who are digitally excluded and those who can benefit less from remote channels.

It is also important to acknowledge that change has already begun across the sector, for example a number of organisations are providing triage, internet, and face-to-face advice from the same local centres.

This research has raised some fascinating questions for us to discuss with our debt advice partners, funders, the Money Advice Service and other organisations supporting those in debt about how quickly, and on what scale change can continue, and about definitions of vulnerability and access.

We at Money Advice Trust warmly thank our partners in the advice sector for sharing their data to support this research. The organisations within this sector are diverse, and have real potential to meet the differing needs of diverse groups of beneficiaries. We look forward to continuing to work with them at the heart of money advice to achieve this.



Joanna Elson OBE
Chief Executive, Money Advice Trust

Executive summary

- In 2010 the free-to-client debt advice sector served some 1.4m individuals. There is approximately an even split between face-to-face and phone channels, each used by circa 45% of the total, with a little under one in ten (9%) using online channels.
- The various major free-to-client advice providers have each historically focussed primarily on a single channel, albeit that all the major providers have diversified to some extent into new channels, either developed in house or through partnerships with other providers.

Profile of debt advice clients

- Debt advice clients are overwhelmingly on low incomes, with eight in ten in the lowest income quintile. Clients of the face-to-face channels are those on the lowest incomes, while online clients are better off and better educated, albeit also on low incomes.
- There are clients facing urgent and serious problems in all channels. However, phone clients are more likely to be “worried well” while six in ten of the most urgent cases are served in the face-to-face channel.
- Credit use is a major driver of problems debt, with nine in ten debt advice clients being credit users. Two thirds of debt advice clients are over-stretched on credit, and have borrowed more than they can afford to repay, most notably in the online channel, where this applies to almost nine in ten.
- Online clients and phone clients are more likely to be struggling to service debt they cannot pay down on credit cards and overdrafts, while face-to-face clients are more likely to have serious arrears on credit commitments. Phone clients are more likely to present at an earlier stage of financial difficulties and to have kept up payments prior to consulting advice.
- Face-to-face clients are more likely to be struggling with arrears on core household bills and commitments such as rent and mortgages, and to have serious arrears on these bills.

Channel choice and use

- There is little public awareness or understanding of advice providers and their delivery models or of the channels through which advice is available. Brand awareness is largely limited to Citizen’s Advice.
- Channel choice is not a meaningful concept in the context of debt advice. Clients, often in crisis, primarily seek a solution to their problems. They tend to contact the first provider they become aware of without considering issues relating to channel.
- Channel use appears to be largely reactive, shaped more by supply-side factors – including the availability and accessibility of debt advice, and providers’ demand-management strategies and business models – than by demand-side factors.
- Choice of provider is shaped primarily by providers’ internet presence or brand awareness, reflected in recommendations from family and friends.

- The evidence is that channel use is determined by the primary channel focus of the service provider first approached. Whatever channel is used for the initial meeting with a debt adviser, subsequent interactions tend to occur in the same channel, regardless of channel preference or willingness to use other channels.
- The dominance of the Citizen's Advice brand which has historically focused on face-to-face channels, combined with funding models which have favoured face-to-face delivery, has biased channel use to face-to-face.
- Among debt advice clients overall, as many have no channel preference as actively seek face-to-face support.
- Some seven in ten face-to-face clients have a preference for face-to-face advice but three in ten have no particular affinity with face-to-face delivery.
- These patterns appear to hold true even for the most serious and urgent cases, four in ten of which are already currently served by remote channels.

Outcomes of debt advice

- Clients' key expectations of debt advice are for information on their rights and options for tackling their debts, as a means of preventing their debt escalating and as a route to agreeing repayment of their debts over time, with little variation between clients using different channels.
- Across all channels, debt advice appears to be highly effective in delivering the outcomes clients seek, with more than nine in ten achieving a resolution to their problems through either an informal arrangement or a formal scheme.
- The pattern of outcomes by channel is broadly similar, with differences arising primarily because of differences in the profile of clients – differences both in the relative seriousness and urgency of debt and in their capacity to repay.
- In a little over half of cases, information/advice from both face-to-face and online channels is useful in the first instance in preventing court action or repossession. This is less important in the phone channel, where clients present at an earlier stage, with less urgent problems.
- There is also a higher level of both debt write off and bankruptcy in the face-to-face channel, where clients are on the lowest incomes and have the least capacity to repay.
- A high proportion of clients in all channels have their debt frozen or payments reduced. Eight out of ten clients in the face-to-face channel have had debt frozen or written off. However, this applies to only two thirds of clients in the phone channel, reflecting the greater capacity of phone clients to keep up repayments and the lesser likelihood of debt having escalated through arrears.
- In the first instance, more than half of debt advice clients are only able to make token repayments to creditors on their debt. Face-to-face and online clients are both more likely to make token payment arrangements. Face-to-face clients are however much more likely than those in other channels to move on from token to substantive repayments, reflecting the greater likelihood that these clients would have required time to stabilise their financial situation at the point they consulted debt advice.
- The great majority (86%) of clients who make repayment arrangements are able to keep to them, with face-to-face clients only a little less likely to do so. Face-to-face clients are almost twice as likely as phone clients to be in a position where they have to ask for a moratorium (i.e, ask creditors to accept nil payments) on payments or to be able to sustain payments only for a short while.

- Soft outcomes are also very positive, with debt advice appearing to improve financial capability and resilience across all channels. The differences between channels in terms of enhancements to capability and ability to handle finances better in the future, again appear to reflect differences in the behavioural profile of channel clients, prior to consulting advice. Online clients, for example, having previously been least likely to budget effectively and most likely to borrow more than they can afford, experience the greatest uplift in ability to plan and to handle credit.

Satisfaction with advice

- For debt advice clients, factors such as having the time to explain problems, a non judgemental environment, privacy and confidentiality, integrity, professionalism and tailored advice are all more important than relationships with advisers or any channel specific factors, such as face-to-face contact or the anonymity of a phone call.
- Across all channels, debt advice performs highly against all dimensions of expectations, with little variations between channels.
- Satisfaction both with overall outcomes and quality of advice is very high across all channels, with phone based channels marginally ahead of face-to-face and online a little below average.
- A similar picture emerged across all the individual components of satisfaction, for example, with regard to quality of relationships with advisers or ability to understand recommendations, satisfaction was high with little variation between channels. Clients in face-to-face channels were slightly less likely than those in phone channels to feel that they could take time to explain their problems, to feel that they got as much support as they needed or that they had a good relationship with the adviser, albeit that in all these respects satisfaction was nonetheless high.
- Around half of debt advice clients indeed feel that debt advice has delivered more than they expected, with no difference between the face-to-face and phone channels in this respect. Online clients were more likely to see advice delivery as in line with their expectations.

Conclusions

- Current channel configuration appears to be shaped, primarily, by supply-side, rather than demand-side, factors.
- Many clients are open to – and already use – a mix of channels and a high proportion are comfortable with remote channels, provided these meet needs in other respects.
- Allowing for differences in client profiles, outcomes appear to differ little by channel. Outcomes in relation to financial capability, effective money management and ability to handle credit are very similar across channels.
- Whatever mix of channels is used, regardless of initial preferences, debt advice clients are highly satisfied and satisfaction appears to differ little by channel. Indeed, in many areas clients report advice exceeding their expectations.
- Although more urgent cases and disadvantaged individuals are concentrated in the face-to-face channel, serious cases and vulnerable clients are being served in all channels.
- Key needs going forward are not channel-centric but are rather about factors – integrity, independence, professionalism, effective personalisation, support and so on which can be delivered in remote as much as face-to-face channels.
- Against this background, the second volume in this report explores the potential for channel shift and develops recommendations for channel strategy going forward.

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1.0 Research background, aims and methods

1.1 Research background

Economic stress, "austerity" and a series of contextual trends are coming together to mean the debt advice sector needs to do more with less

Against a background of austerity, ongoing economic stress and increasing pressure for debt advice services to 'do more with less', the debt advice sector will need to develop a channel strategy for the future which will optimise both outcomes for consumers and make the most effective use of available funding and resource. Background trends in technology and consumer behaviour alongside broader developments in customer service, in both the private and public sector, are also a factor in changing consumer need for advice channels. Consumer preferences and their perceptions of the role of remote channels are changing in a range of contexts, including complex and sensitive environments, such as financial services, welfare benefits and medical treatment, for example. Within the debt advice sector, clients are increasingly exposed to, and comfortable with, remote channels.

An effective channel strategy will need to make optimal use of capacity and resource while protecting the most vulnerable

To develop an effective channel strategy, it is critical to understand how the population of debt advice clients segments in terms of their channel needs, how far channel needs fit with existing and potential capacity and the likely outcomes for consumers of changes to the balance of available channels. It is also essential that, while encouraging those who are able to cope with debt advice via remote channels to use them, the strategy supports continued access to face-to-face channels for those who need it. This is of particular concern for some of the lowest income and more vulnerable consumers, who have historically been most dependent on face-to-face advice and who are often less able either to access or to negotiate remote channels. A key criterion, therefore, of an effective channel strategy is to better understand the needs and characteristics of debt advice clients who may struggle to approach or use remote channels, in order that their access to face-to-face services can be protected.

To inform thinking around the development of new channel strategy, MAT has commissioned Policis to undertake research on debt advice clients' needs, their attitudes to different delivery channels and the nature and extent to which channel impacts on clients' experiences, outcomes and levels of satisfaction. The research was undertaken in the context of a collaborative project developed with key stakeholders from across the sector, who met regularly to consider emerging research findings and to help frame conclusions and recommendations arising from the evidence.

1.2 Aims and objectives

The overall aim of the research was to provide the evidence base on which to plan effectively for a debt advice channel strategy which meets client needs while optimising cost and efficiency. In particular, the research aimed:

- To understand the dynamics of channel preference, choice and use and how this relates to client needs, experience and satisfaction and the outcomes of debt advice.
- To establish and scale debt advice clients' needs in relation to delivery channels and how this shapes the potential for channel shift.
- To understand the likely impact on debt advice client outcomes of changes to channel strategy and how this will vary between different client groups.
- To arrive at a view of how most effectively to optimise the channel mix for debt advice, so as to make best use of resource while protecting vulnerable clients.
- In collaboration with sector stakeholders, to develop recommendations for the future development of debt advice channel strategy.

1.3 Research methods

The project structure comprised three phases:

- Rapid evidence review
- Qualitative research to deliver rich insight and shape quantitative phase, and
- Quantitative research to provide scale and robust perspective on effects observed.

Three workshops were held with key stakeholders from across the debt and money advice sectors, between each of the research stages.

We here briefly describe the key components of the method. Fuller details can be found in the technical appendix.

Rapid evidence review

The purpose of the review was to identify, assess and report the findings from a range of evidence sources relevant to the key research questions:

The review covered research commissioned by government, the debt advice sector and other key stakeholders, and undertaken within the five years prior to this research. Sources were mainly identified and accessed via the Money Advice Trust Information Hub, with some free-find to obtain specific, up-to-date information.

Each source identified as part of the review was assessed for quality to ensure that the review was based on robust evidence, to facilitate comparison across and between sources and to ensure that the conclusions drawn were appropriate to the research and sampling methods employed.

The evidence review was conducted during May and early June 2011 and the key emerging themes presented to, and discussed at, a stakeholder workshop, involving key interested parties involved in the funding and delivery of debt advice, held in London in June 2011. The full findings from the evidence review are presented in the appendices as Appendix A.

Qualitative phase

Four focus groups with clients of free-to-client debt advice services were held during June 2011, two in London and two in the North of England. The groups were professionally recruited to include:

- people who had used both remote and face-to-face channels
- those with more or less serious financial difficulties

- people who had consulted debt advice more or less recently.

The focus groups were facilitated by the research team using a topic guide designed to explore people's different attitudes, perceptions and needs for delivery channels and to draw out their experience of receiving advice via different channels.

In addition, depth interviews were conducted with clients of different channels and in a range of circumstances. The topic guide used during the depth interviews was designed to explore people's perceptions of different delivery channels for the delivery of debt advice and identify the factors that are most likely to increase people's comfort with and confidence in remote channels. It can be found as Appendix B within the separate appendices volume which also contains a detailed profile of interviewees.

Quantitative research

The project also included an original bespoke survey of debt advice clients. CATI telephone interviews were conducted during August and September 2011 with a nationally representative sample of 504 debt advice clients, to achieve a representative mix of channels. The sample comprised:

- 226 telephone debt advice clients from a random sample of recent Payplan and NDL clients
- 250 free-find face-to-face debt advice clients
- 65 online debt advice clients.

The questionnaire can be found in Appendix C.

In addition, an online survey was conducted with a self-selected sample of 128 online debt advice clients, to generate insight into online experience with a larger sample base than arises within a nationally representative sample. It should be noted however that, as a self-selected sample, the data arising from this element of the study cannot be regarded as representative of online clients overall. References to findings from this data are provided in footnotes to the text with data provided in the notes in Appendix E.

This report

Reporting on the findings has been split into two volumes, the first providing a client perspective of current channel choice, channel use and outcomes for clients with the second focused on the potential for channel shift. This report, the first of these two volumes, begins with a brief introduction to the profile of debt advice clients, overall and those using different delivery channels, to set the context for the remaining chapters. Following this, the report identifies the key drivers of channel choice; explores clients' experiences of using different channels; identifies the outcomes of debt advice again, in overall terms and by delivery channel; and assesses levels of satisfaction with advice delivered via different channels.

There is an executive summary of the findings pertinent to each volume. The second volume in this study contains the key conclusions from the research overall and presents recommendations for the development of a channel strategy for the future.

2.0 Chapter 2. Profile of advice clients

- Debt advice clients are overwhelmingly on low incomes, with eight in ten in the lowest income quintile. Clients of the face-to-face channels are those on the lowest incomes while online clients are better off and better educated, albeit also on low incomes.
- There are clients facing urgent and serious problems in all channels. However, phone clients are more likely to be “worried well” while six in ten of the most urgent cases are served in the face-to-face channel.
- Credit use is a major driver of problems debt, with nine in ten debt advice clients being credit users. Two thirds of debt advice clients are over-stretched on credit, have borrowed more than they can afford to repay, most notably in the online channel, where this applies to almost nine in ten.
- Online clients and phone clients are more likely to be struggling to service debt they cannot pay down on credit cards and overdrafts, while face-to-face clients are more likely to have serious arrears on credit and loan agreements. Phone clients are more likely to present at an earlier stage in financial difficulties and to have kept up payments prior to consulting advice.
- Face clients are more likely to be struggling with arrears on essential household bills and commitments such as rent and mortgages, and to have serious arrears on these bills.

This chapter discusses the profile of clients of the various advice channels as context for the later discussions of channel use and choice.

In 2010 the free advice sector served some 1.4 million individuals

In 2010, the free advice sector served approximately 1.4 million individuals.[1] Clients are served through a variety of channels incorporating face-to-face, phone and online delivery. There is a fairly even split between face-to-face and phone based channels, serving approximately 46% and 45% of debt advice clients respectively in 2010, with the fast-growing but more newly established online services serving circa 9% of clients. The various major advice providers have each historically focussed primarily on one main channel, albeit that all the major providers have diversified to some extent into new channels, either developed in house or through partnerships with other providers.

[1] Gathergood, March 2011 Note: based on 2010 demand and capacity figures as at the time of publishing 2011 figures had not been finalised.

Advice delivery splits fairly evenly between phone and face-to-face channels with a much smaller, newer and fast-growing online advice channel

Chart 1a. Debt advice clients by channel m

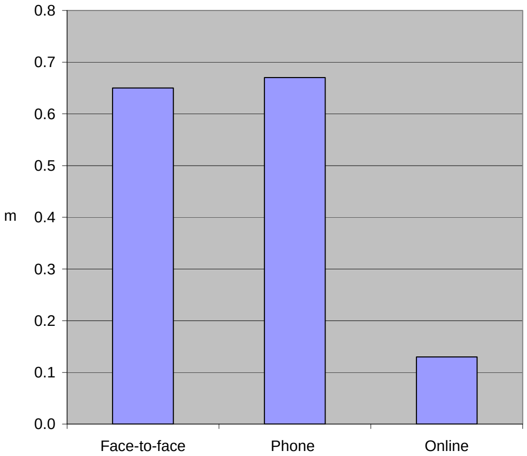
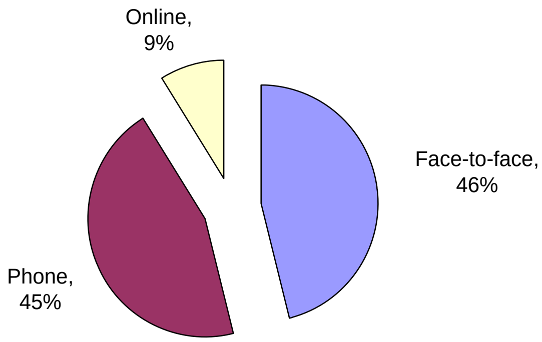


Chart 1b. Debt advice clients by channel



Source: Policis estimates based on research data and provider data

Debt advice clients tend to be on low incomes with those on the lowest incomes concentrated in face-to-face channels

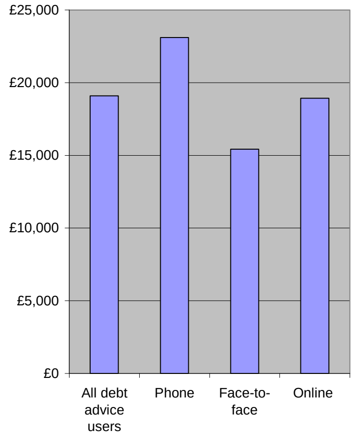
Debt advice clients are overwhelmingly those on low incomes, with more than eight in ten (82%) in the lowest household income quintile. The research data indicates an average household income for all debt advice clients of £16,590, with average non-mortgage debt of £19,085 and a ratio of debt to income of 1.15. A little over a third (35%) are social housing tenants, some 38% home owners and 19% private sector renters. Three in ten (31%) are benefit dependent, while just 55% have at least one full time worker.

There are important differences in the profile of clients of different channels. Face-to-face debt advice clients tend to be less well off than other debt advice clients. They have an average household income of £15,300 p.a. and an average debt of £15,420, and thus a debt to income ratio of 1.01.Those consulting debt advice by phone have an average household income of £17,200 but have the highest average debt at £23,100 and thus a debt to income ratio of 1.34, the highest overall. Clients of online channels have an average household income of £20,100 and an average debt of £18,925, and thus a slightly lower debt to income ratio than for clients of the other channels, at 0.94.

Face-to-face clients are least well off and least indebted while phone clients are the most indebted and burdened relative to income

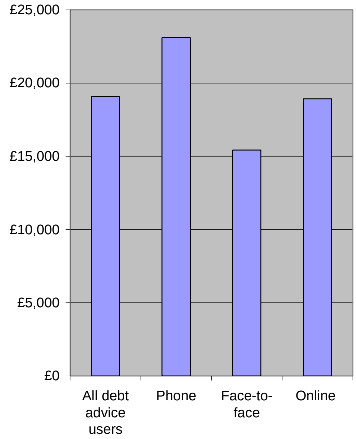
Debt advice clients: income and debt profile by channel

Chart 2a. Total debt outstanding at point consulted debt advice



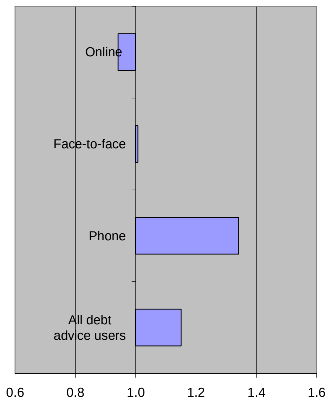
Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. Online 65.

Chart 2b. Average income by channel



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. Online 65.

Chart 2c. Debt to income ratio



Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65.
1 = annual income

Online clients tend to be younger and to be the best educated while phone clients are older and significantly more likely to have had no formal education

Online clients are the most likely to have someone in the household in full time work (66%), with almost six in ten (58%) of phone based clients in the same position. Face-to-face clients are less likely to have a full time worker in the house (51%) and more likely to be benefit-dependent (34%).

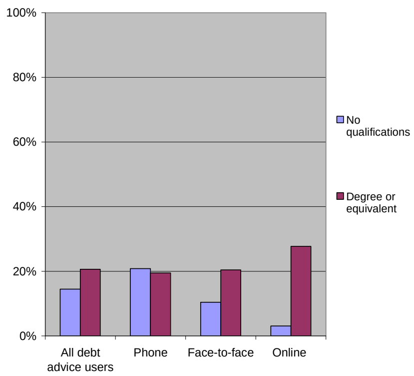
Online clients also have significantly higher levels of educational attainment than clients of other channels, with 34% having a degree or second degree. This compares to 24% of face-to-face clients and 21% of phone based clients. Only 3% of online clients have no formal educational qualifications, compared to 10% of face-to-face clients and 20% of phone based clients.

There are some age differences between clients of different channels, though these are not large. Online clients have an average age of 41, face-to-face clients 44 and phone clients 46.

Significant differences in educational attainment profile of the various channels

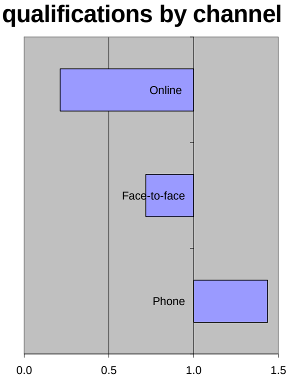
Debt advice clients selected educational attainment by channel

Chart 3a. Educational attainment by channel use



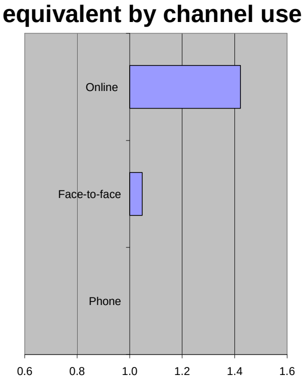
Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. Online 65.

Chart 3b. No educational qualifications by channel use



Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65.
Indexed against average for all debt advice clients. 1 = average

Chart 3c. Degree or equivalent by channel use



Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65.
Indexed against average for all debt advice clients. 1 = average

Constant difficulties in balancing a budget often inadequate to needs is a function of living on a low income and is a fact of life for many clients

For many debt advice clients, financial difficulties have been a function of the struggle to manage perennially tight budgets and the pressures of living on a very low income. Around half of clients in each channel said that while they did budget prior to getting into difficulties, they never seemed to have enough money to go around.

Phone based clients appear the most considered budgeters and online clients the most spendthrift

There do, however, appear to be some differences between clients of the different channels in mindset and financial thinking, prior to getting into financial difficulties and approaching debt advice, which are in turn reflected in differences in the seriousness and urgency of debt problems at the point when clients first seek help from debt advice.

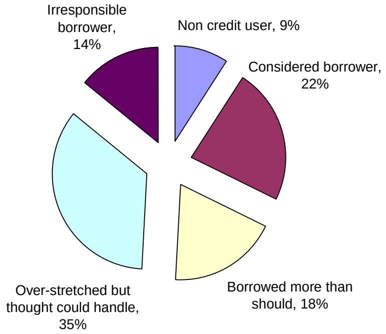
There are differences in the way clients of different channels approach budgeting and the use of credit prior to getting into difficulties and seeking debt advice. Online clients, for example, are the least disciplined budgeters. They are more likely than clients of other channels to admit to being spendthrift, spending first and then having to make sacrifices later (29%), than either phone clients (18%) or face-to-face clients (23%). Phone-based clients, on the other hand, were the most likely to claim to be careful budgeters. Some 28% claimed they made sure they covered all their outgoings before spending, compared to 24% of face-to-face clients and 20% of online clients.

Credit use is a major factor in problem debt with phone based clients appearing the most cautious and online clients most likely to be overstretched

Use of credit is a major driver of financial distress, with those seeking debt advice being overwhelmingly credit users (91%). More than two thirds (67%) of debt advice clients admit to a degree of credit over-stretch, having borrowed more than they could afford, with online borrowers not only more likely than other borrowers to be over-stretched (86%) compared to 68% for phone clients and 62% for face-to-face clients) but also more likely to have borrowed more than they can afford or without due consideration. Just 9% of online clients claim that they had not borrowed more than they were confident they could comfortably pay back – compared to 27% of phone clients and 21% of face-to-face clients.

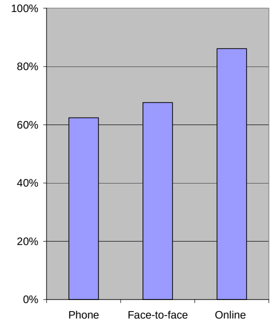
Credit over-stretch is a feature of many debt advice clients but is most marked among the online clients who have run into problems with credit cards

Chart 4a. Self-description of responsible / irresponsible borrowing behaviour – all debt advice clients



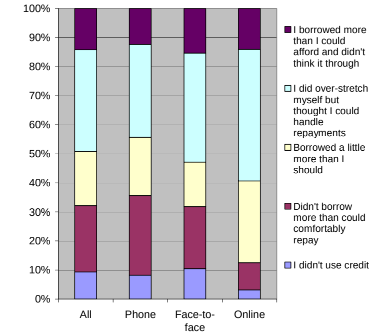
Base: Debt advice clients. All debt advice clients 504.

Chart 4b. % admitting to having over-stretched on credit by channel



Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65.

Chart 4c. Self-description of responsible / irresponsible borrowing behaviour by channel



Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65.

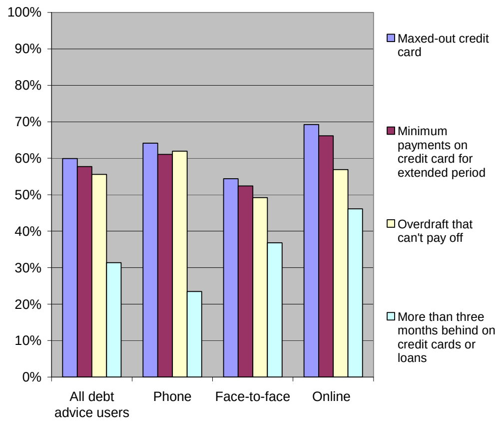
Overall pattern among those presenting to debt advice is of a high level of unmanageable debt that cannot be paid down as much as imminent crisis

Debt advice clients are more likely to come to debt advice with a high level of unmanageable debt that cannot be paid down, primarily on credit cards and overdrafts, than to come with serious arrears and default. The most common difficulties faced overall were maxed out credit cards (60%), making minimum payments on credit cards for an extended period (58%), missed payments on Direct Debits (56%), missed payments on credit cards and loans (51%) and overdrafts that could not be paid down (56%).

Within this overall pattern, there were differences between channels in the pattern of difficulties that clients had faced prior to consulting debt advice. Online clients appeared to be most likely to be struggling with minimum payments (69%) and maxed out credit cards (66%), with phone based clients not far behind with 64% having a maxed out card and 61% with extended minimum payments on credit cards. Some 62% of phone based clients and 57% of online clients had an overdraft that they could not pay off. Face-to-face clients had lower levels of total over indebtedness on credit cards or overdrafts but were more likely to have run into payment difficulties, missing payments or running up serious arrears on credit and loan agreements. Six in ten face-to-face clients had missed payments on Direct Debits, 55% had missed payments on credit cards and loans and 36% were three months or more behind on credit cards and loans.

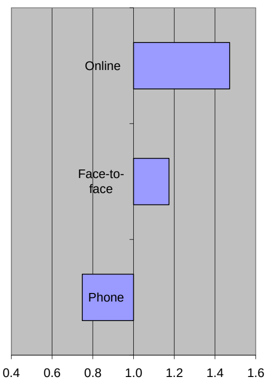
Unmanageable credit card and overdraft debt is a feature in all channels but most markedly so for phone and online clients

Chart 5a. Overdraft and credit card problems by channel



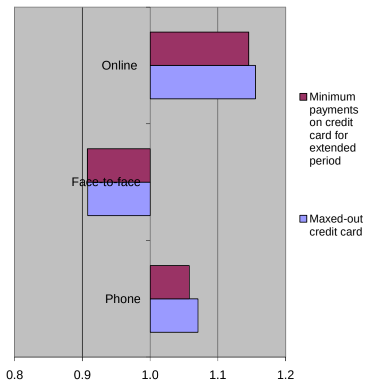
Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65

Chart 5b. Three months behind on cards or loans by channel



Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65. Indexed against average for all debt advice clients. 1 = average

Chart 5c. Maxed out cards and extended minimum payments by channel



Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65. Indexed against average for all debt advice clients. 1 = average

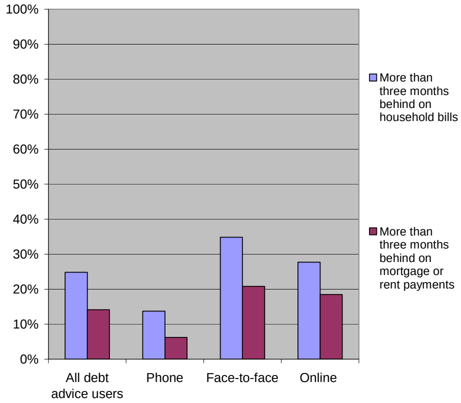
Face-to-face clients are more likely to be struggling with household bills and essential commitments and have fewer problems with revolving credit

Face-to-face clients were also more likely to be facing problems with debts around core commitments, such as rent or mortgages, household bills and fuel. Some 35% of face-to-face clients were three months behind on household bills, compared to 28% of online clients and 14% of phone clients. More than a third of face-to-face clients (36%) had missed fuel bill payments or were unable to afford fuel, compared to 19% of phone-based clients and 18% of online clients. Some 36% of face-to-face clients had missed mortgage or rent payments compared to 19% of phone clients and 29% of online clients. Some 35% of face-to-face clients had been three or more months behind on rent or mortgage payments, compared to 14% of phone based clients and 28% of online clients.

Serious arrears on a range of bills and rent / mortgage much more likely to be a feature of face-to-face clients

Problem debt by type and channel

Chart 6a. Arrears on household bills by channel



Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65

Chart 6b. Three months behind on household bills by channel

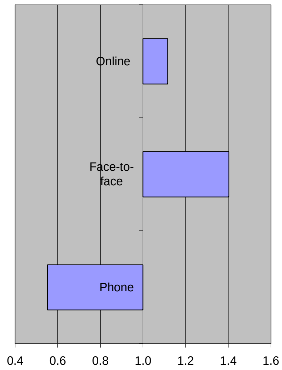
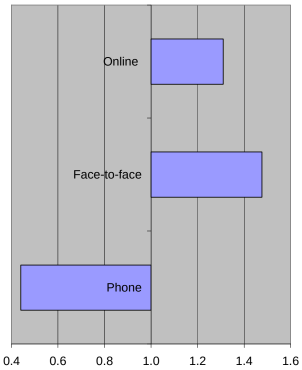


Chart 6c. Three months behind on mortgage / rent by channel



Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65. Indexed against average for all debt advice clients. 1 = average for all debt advice clients

Face-to-face and online clients are more likely to be facing imminent court or repossession action but all channels are handling serious and urgent cases

Against this background, although all channels are handling clients with serious urgent problems, face-to-face clients were more likely to be facing urgent court action. Some 12% of face-to-face clients were facing immediate court action with 34% threatened with court action. Only half as many (6%) phone based clients were facing immediate court action, while 22% had had court action threatened. Online clients appear however to be facing near identical levels of urgent debt to those using face-to-face channels (11% and 34% respectively).[2]

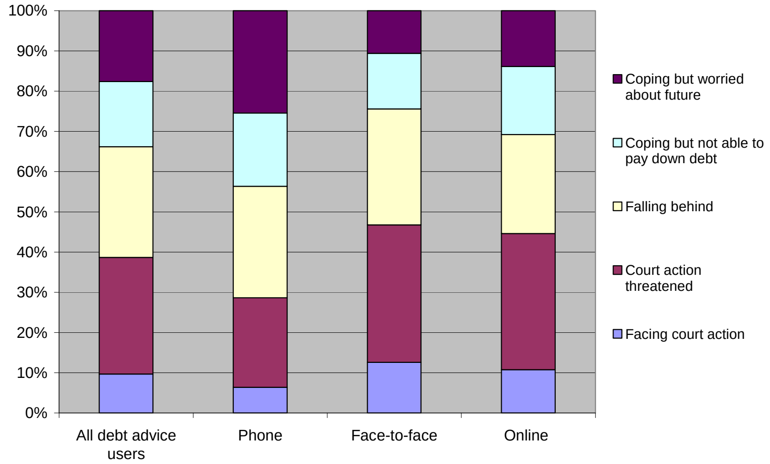
Phone based clients appear to present to debt advice at an earlier stage

It is striking that the phone based clients contained a much higher proportion of "worried well", i.e. currently coping with commitments but worried about their future ability to do so (25%) than face-to-face (10%) or online clients (14%).

[2] See alternative online sample note 1 in Appendix E.

Phone clients face less immediate sanctions while pressures from creditors are much greater for face-to-face and online clients

Chart 7. Debt advice clients by degree of seriousness and immediacy of debt problems by channel



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. Online 65.

Overall therefore, while all debt advice clients are on a low income, those using the face-to-face channel are on the lowest incomes, facing the most urgent problems. Similarly, though debt advice clients are overwhelmingly credit users, face-to-face clients are less likely than those using other channels to be struggling with unmanageable debt on cards and overdrafts and more likely to have fallen seriously behind on essential commitments. Phone clients, who are generally better off, appear to present to debt advice earlier, and to have less urgent credit problems, while online clients are more likely to be irresponsible borrowers and to be struggling with credit over-stretch. That said, it is important to emphasise that there are low income and vulnerable clients facing late-stage serious and urgent debt problems in all three channels, albeit that these clients are concentrated in the face-to-face channel.

3.0 Chapter 3. Channel choice and use

- There is little public awareness or understanding of advice providers and their delivery models or of the channels through which advice is available. Brand awareness is largely limited to Citizen's Advice.
- Channel choice is not a meaningful concept in the context of debt advice. Clients, often in crisis, primarily seek a solution to their problems. They tend to contact the first provider they become aware of without considering issues relating to channel.
- Channel use appears to be largely reactive, shaped more by supply-side factors – including the availability and accessibility of debt advice, and providers' demand-management strategies and business models – than by demand-side factors.
- Choice of provider is shaped primarily by providers' internet presence or brand awareness, reflected in recommendations from family and friends.
- The evidence is that channel use is determined by the primary channel focus of the service provider first approached. Whatever channel is used for the initial meeting with a debt adviser, subsequent interactions tend to occur in the same channel regardless of channel preference or willingness to use other channels.
- The dominance of the Citizen's Advice brand, which has historically focused on face-to-face channels, combined with funding models which have favoured face-to-face, has biased channel use towards face-to-face.
- Among debt advice clients overall, as many have no channel preference as actively seek face-to-face support.
- Some seven in ten face-to-face clients have a preference for face-to-face advice, but three in ten have no particular affinity with face-to-face delivery.
- These patterns appear to hold true even for the most serious and urgent cases, four in ten of which are already currently served by remote channels.

3.1 Drivers of channel choice

Channel choice does not appear to be a meaningful concept in the context of debt advice

The evidence review suggested, overwhelmingly, that channel choice is not a meaningful concept in relation to debt advice. Rather, channel use appears to be largely reactive, shaped more by supply-side factors – including the availability and accessibility of debt advice, and providers' demand-management strategies and business models – than by demand-side factors.[3]

The original qualitative and quantitative research conducted for this study confirm this picture, showing very little evidence of people making active choices about delivery channel or, indeed, about debt advice supplier. The potential for demand-side factors to play a role in influencing channel use is undermined, largely, by a lack of awareness and understanding of advice services among potential clients, and the nature and urgency of needs. While people may *express* quite strong views and preferences in

[3] See Appendix for the detailed findings of the evidence review.

discussions about remote channels, the research shows that these expressed preferences do not drive choice of either supplier or channel. In previous research, just two studies identified people actively choosing channels and, crucially, in one of these, this only occurred once people had already been in contact with an advice provider.[4]

People have little awareness of providers or channel options but are rather primarily seeking a solution to their problems

Awareness of debt advice services among potential clients is generally very low.[5] Few of the focus group or depth interview respondents knew much about the different debt advice providers or the services available. Predictably, then, people also know very little, if anything, about the different delivery channels for debt advice.[6] Most people in the qualitative research did not know that advice could be accessed in different ways and lacked the knowledge to determine how delivery channel might impact on the advice process or their experience of it. In this context, people tended to contact the first provider they became aware of, without considering issues relating to channel preference.

Lack of familiarity with what the advice process involves means that many people did not have clear expectations on channel at the point they sought advice. Most people are primarily seeking a solution to their problems and what they hope is a trustworthy advice provider, with considerations of channel not really part of the equation.

> *"You're a bit sceptical but you hope they'll fix it."*

> *"I think, in the back of your mind, all you want is something to be done about it really, don't you? And I think in the back of your mind you go down thinking, 'Oh I'm going to come out better'."*

> *"I don't think I expected anything… I was throwing out a lifeline and saying 'Please can you help?'"*

In addition, many people are too desperate for help to shop around for a particular delivery channel or advice provider

It is a common finding of research into indebtedness that people frequently do not seek help until they are in a crisis situation[7], at which point the concept of choice of either provider or delivery channel may not be meaningful.

It is this sense of urgency that leads people to use whichever service they can access most quickly and easily.

> *"I just wanted to hear that they were going to help, either by phone, letter, face-to-face. So it could have been any of those communications, I just wanted to hear the words, 'Yes, we can help'."*

There is little evidence that channel preference drives the choice of provider rather the evidence is that the provider first approached drives channel use

Although some people in the qualitative research did refer to particular channels being better or worse, from their point of view, this did not appear to have had a significant influence on their choice of debt advice provider. In fact, the primary debt advice channel used reflects, overwhelmingly, the channel used for the initial consultation,

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[4] Orton, 2008; Citizen's Advice, 2011.
[5] Turley and White, 2007; Day et al, 2008; Orton, 2008; OLR, 2008; Balmer and Patel, 2009; Mawhinney, 2010; Orton, 2010; Goode and Waring, 2011.
[6] Day et al, 2008; Orton, 2008.
[7] Orton, 2008; Orton, 2010.

supporting existing evidence[8] that channel use is determined primarily by the delivery models offered by the supplier first contacted.

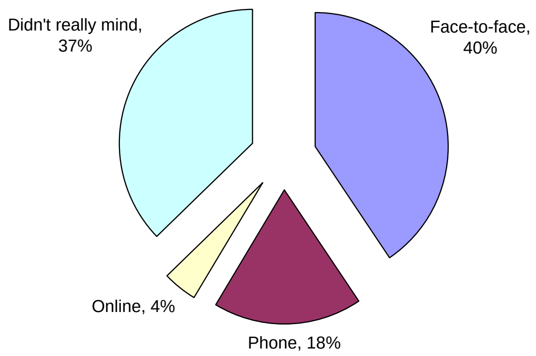
Among debt advice clients overall, as many have no channel preference as actively seek face-to-face support

In the survey undertaken to support this study, four in ten clients had a preference for face-to-face delivery at the point they were seeking advice. However, the same proportion did not have a delivery channel preference. Furthermore, while face-to-face advice clients have stronger delivery channel preferences than clients of remote channels, three in ten of them either had no channel preference or would have preferred a different channel.

Some seven in ten face-to-face clients have a preference for face-to-face advice but three in ten have no particular affinity with face-to-face delivery

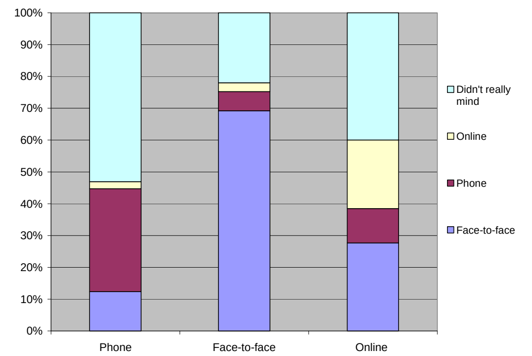
Channel preferences on debt advice prior to consulting debt advice agency

Chart 8a. Channel preferences on debt advice prior to consulting debt advice agency



Base: Debt advice clients. All debt advice clients 504.

Chart 8b. Channel preferences on debt advice prior to consulting debt advice agency by channel used



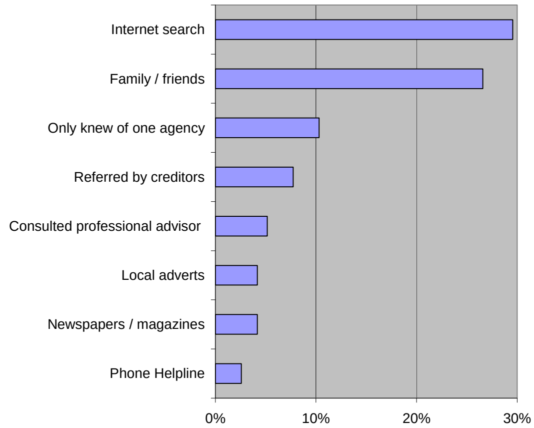
Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65.

Given the low levels of awareness or understanding of the way debt advice works, choice of provider is a function of the way in which debt advice seekers identify potential sources of help and advice. This is itself to a large extent shaped by brand awareness and the internet presence of advice providers. The internet is now the most important source of information and signposting to debt advice services, a little ahead of recommendations from family and friends. Three in ten clients sourced the debt agency they ultimately used via the internet, with 27% doing so via recommendation from family and friends. Predictably perhaps, the internet was less important for face-to-face clients, with 19% sourcing their advice provider this way compared to 38% of phone based clients and 57% of online clients. Conversely 31% of face-to-face clients sourced via friends and family, compared to 23% of phone based clients and 15% of online clients. No other sources were anything like as important, with referrals from creditors, at 7%, the third highest source of signposting to an advice provider overall. In the phone channel, the proportion of referrals from creditors was higher (12%) than for other channels.

[8] Day et al, 2008

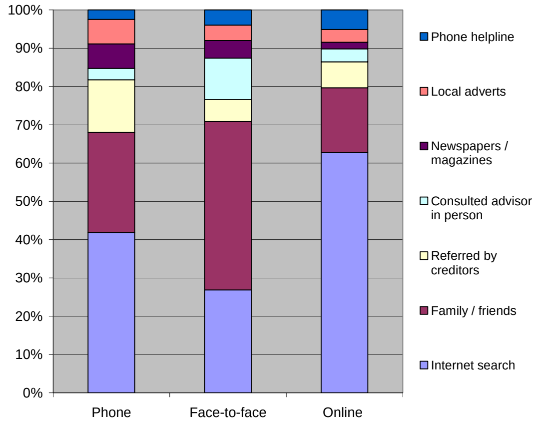
The internet has become the key first step in sourcing debt advice

Chart 9a. How found debt agency sought help from



Base: Debt advice clients. All debt advice clients 504.

Chart 9b. How found debt advice agency sought help from – by channel



Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65.

High levels of awareness of Citizen's Advice brand has played a role in shaping channel use particularly in the face-to-face channel

Brand awareness plays a role in provider selection, and in turn in channel use, given that the various advice providers have historically been primarily focused on a single channel. This is most evident in the case of Citizen's Advice where high levels of brand awareness have worked historically to direct clients to face-to-face channels.

Citizens' Advice was the only advice brand with any significant awareness, at 44% of all debt advice clients. Almost two in three (64%) clients of face-to-face advice had been aware of Citizen's Advice before they sought advice. By contrast, just 23% of phone based clients and 45% of online clients claimed to have been aware of Citizens Advice prior to seeking advice.

> *"I just thought, you know, Citizen's Advice was the best port of call really because they're like, they know everything there is to know about the law."*

> *"Citizen's Advice was there, that's the one. Because unless I've heard of it or usually when I hear from someone they've used it, you know, I like word of mouth… I trust their opinion… That's another reason for going with them, just their reputation."*

Some one in ten debt advice clients, and 15% of face-to-face clients, explained their choice of agency by saying that they only knew of one advice agency, overwhelmingly Citizen's Advice.

Four in ten debt advice clients had no prior awareness of any free debt advice brands while online clients have some awareness of paid for debt advice brands

That said, 41% of debt advice clients say they had no awareness of any debt advice brand, prior to seeking advice. Importantly, however, 20% of online clients claimed to be aware of paid for debt management brands. Neither the phone nor face-to-face clients had the same levels of awareness of paid-for debt management brands, at 4% among phone clients and 11% among face-to-face clients, reflecting the strong presence of private sector debt management firms on the web.

3.2 Channel use

The phone is the most important channel for first contact with debt advice, even for those clients who go on to receive their advice face-to-face

The degree of comfort with a range of channels is illustrated in the channels used for the first approach to a debt advice agency. Phone was the most important channel for approaching a debt advice agency in the first instance.

First contact with the advice provider was made by phone on six in ten occasions, rising to seven in ten occasions for phone based clients, a little over a half (52%) of face-to-face clients and 14% of online clients. Overall, a little over one in five (22%) of advice clients first approached a debt advice agency face-to-face, rising to three in ten in the face-to-face channel.

The channel focus of the provider first contacted appears to determine the channels used for debt advice

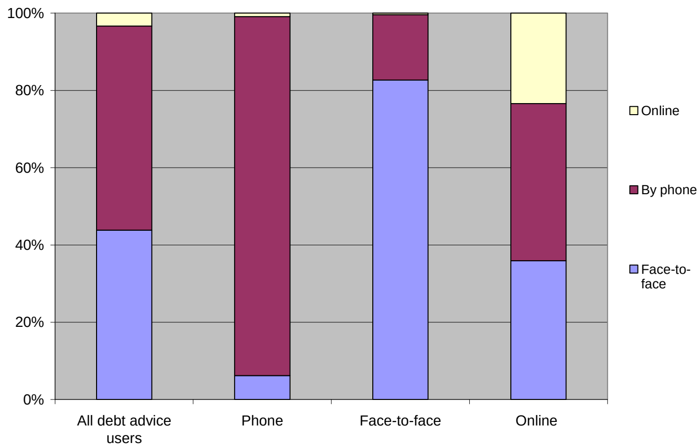
Given that until recently, each of the major debt advice providers has been primarily focused on a single channel, the evidence is clear that it is the channel focus of the provider first approached which determines subsequent channel use.

Overwhelmingly (87%), clients went on to seek advice from the agency they first contacted. Of the few (13%) who did not, one in five were directed to another agency by the first agency. A further one in five of those going on to take debt advice from a different agency to the one they first consulted switched to a free debt advice provider once they realised the first agency consulted was a paid-for debt adviser. Almost one in ten (9%) of those who had gone to another agency did so because it took too long to get an appointment to see a debt adviser, with this having been primarily a feature of the face-to-face channel.

Across the sector, a little over a half (53%) of first meetings with a debt adviser to discuss debt problems in detail were held face-to-face, with 44% held by phone. As Chart 11 illustrates, however, more than nine in ten (92%) advice recipients who had their initial consultation by telephone went on to receive debt advice primarily by telephone. Similarly, around eight in ten (79%) people whose initial consultation was face-to-face went on to receive advice primarily via the same channel.

The channel used for a first meeting with a debt adviser reflects the delivery channels of the provider approached rather an active choice by clients

Chart 10. Channel used for first detailed meeting with debt adviser by channel focus of provider first approached

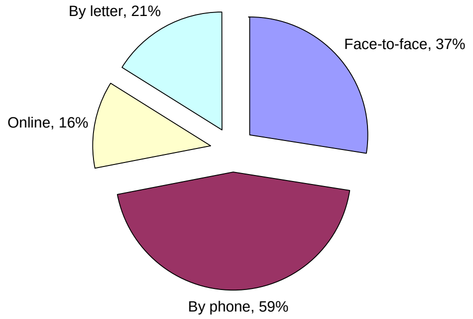


Once the initial meeting with the adviser has been set up in one channel subsequent interactions with the debt adviser tend to be in the same channel

Subsequent meetings and ongoing communications following the initial meeting with an adviser are also primarily shaped by the channel focus of the provider, albeit that a mix of communication channels is clearly being used by all advice providers. Communications and meetings subsequent to the first meeting with the adviser are overwhelmingly (82%) by phone for the clients who first consulted their adviser by phone, with 4% meeting face-to-face and 14% also communicating online. Some seven out of ten clients who initially consulted their adviser face-to-face had subsequent meetings with their adviser face-to-face, with 39% communicating with their adviser by phone and 12% online. Of those coming into the online channel, three in ten subsequently went to face-to-face channels while 48% consulted debt advisers by phone.

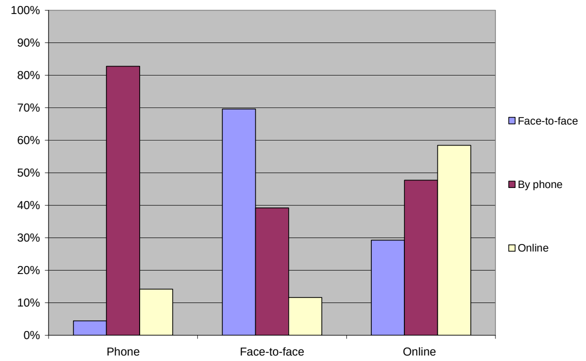
Although the initial channel continues to dominate interaction, a mix of channels is used by all provider types as cases progress

Chart 11a. Channel used for advice delivery subsequent to initial consultation



Base: Debt advice clients. All debt advice clients 504

Chart 11b. Channel used for advice delivery subsequent to initial consultation by primary channel use



Base: Debt advice clients. Phone 226. Face-to-face 250. Online 65

Actual patterns of channel use do not appear to reflect clients' willingness to use a range of channels even for their first critical meeting with an adviser

This pattern does not however appear to reflect clients' channel preference or any lack of wiliness to use alternative or remote channels. Overall, six in ten (60%) of advice seekers when asked would have been comfortable with their first "meeting" with a debt adviser being face-to-face. However, a half of debt advice clients (50%) would have been happy to have this first meeting by telephone while almost one in five (19%) would be comfortable with the first meeting being online. Just short of a quarter (23%) however, do not have a channel preference for the first meeting with the adviser. Even among face-to-face advice clients, more than four in ten (43%) would be comfortable with having the first meeting by telephone, with one in five (20%) happy to meet online.

More serious cases are a little more likely to have their first meeting face-to-face but more than four out of ten of such cases are dealt with initially by phone

The evidence is also that a significant proportion of clients with even the most serious problems would be comfortable with consulting an adviser for the first time in remote channels and that a significant proportion of the most urgent and serious cases are already dealt with in remote channels. Clients with the more serious and urgent cases were a little more likely to have their first meeting with their adviser face-to-face, in part reflecting the greater concentration of more serious cases in the face-to-face channel. Nonetheless, a significant proportion of even the most serious cases appear to have been dealt with initially by phone rather than face-to-face. Of those facing threats of court action, a little over a half (51%) had their initial meeting face-to-face, while 45% did so by phone. Among the most serious cases facing immediate court action or repossession, some 58% met with their adviser initially by phone and 35% by phone, although it should be noted that the base of these latter very urgent cases is small (48). For communications subsequent to the initial meeting, there is indeed a slight bias towards phone communication, perhaps reflecting the need for speed in these instances. Some 46% of those threatened with court action had subsequent communications with their adviser face-to-face, 49% by phone and 16% online.

Taken together therefore, the evidence is that despite expressed channel preferences, channel choice is not a meaningful concept in determining how debt advice clients engage with debt advice. The evidence is rather that clients are primarily seeking a solution to their problems with the choice of provider to approach determined not by channel choice but by brand awareness and internet presence. The historic focus of the major debt advice providers on a single channel combined with the dominance of the Citizen’s Advice brand has determined channel use, and created a bias in channel use towards the face-to-face channel. Clients overwhelmingly use the channels offered by the service provider they first approach. Actual patterns of channel use do not however necessarily reflect channel preferences or comfort. There is considerable willingness among debt advice clients to engage with remote channels, albeit that face-to-face clients have a greater affinity with face-to-face delivery than clients of other channels. Nonetheless, even among these clients, a significant minority have no channel preference and/or are willing to use remote channels.

4.0 Chapter 4. Outcomes of advice

- Clients' key requirements of debt advice are for information on their options and rights and a means of preventing their debt escalating while repaying over time. There is little variation between channels.
- Across all channels, debt advice appears to be highly effective in delivering the outcomes clients seek, with more than nine in ten achieving a resolution to their problems.
- The pattern of outcomes by channel is broadly similar with differences arising primarily because of differences in the profile of clients – differences both in the relative seriousness and urgency of debt and in their capacity to repay.
- In a little over half of cases in face-to-face or online channels, debt advice works in the first instance to prevent court action or repossession, but this is less important in the phone channel where debtors present at an earlier stage.
- There is also a higher level of both debt write off and bankruptcy in the face-to-face channel where clients are on the lowest incomes and have the least capacity to repay.
- A high proportion of clients in all channels have their debt frozen or payments reduced. Eight out of ten clients in the face-to-face channel have had debt frozen or written off. However, this applies to only two thirds of clients in the phone channel, reflecting the greater capacity of phone clients to keep up repayments and the lesser likelihood of debt having escalated through arrears.
- In the first instance, more than half of debt advice clients are only able to make a token repayment to creditors on their debt. Face-to-face and online clients are both more likely to make such token arrangements. Face-to-face clients are however much more likely than those in other channels to move on from token to substantive repayments, reflecting the greater likelihood that these clients would have required time to stabilise their financial situation at the point they consulted debt advice.
- The great majority (86%) of clients who make repayment arrangements are able to keep to them, with face-to-face clients only a little less likely to do so. Among the small minority who fail, face-to-face clients are almost twice as likely as phone clients not to make any payments or to be able to sustain payments for a short while.
- Soft outcomes are also very positive with debt advice appearing to improve financial capability and resilience across all channels. The differences between channels in terms of enhancements to capability and ability to handle credit again appear to reflect differences in the behavioural profile of channel clients, online clients, for example, having previously been least likely to budget effectively and to most likely borrow irresponsibly, also experiencing the greatest uplift in ability to plan and handle credit.

In this chapter we examine the outcomes of debt advice and the variation between different channels and groups of debt advice clients, including those using different channels and facing more or less serious problems.

As context for the discussion of outcomes and for the following chapter on client satisfaction, we first turn to clients' expectations of debt advice and what they hoped to achieve.

4.1 Expectations of debt advice

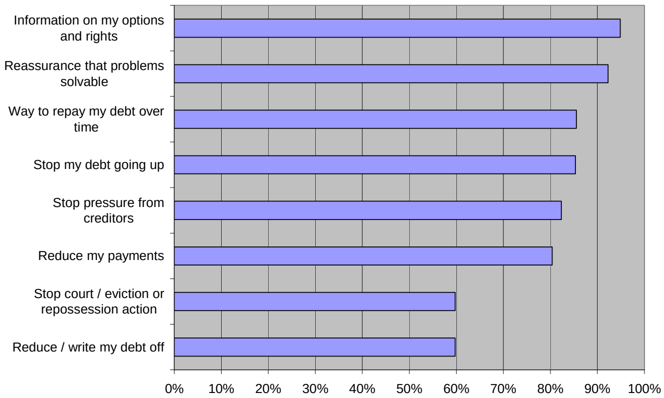
Clients were above all seeking to understand their options and rights and reassurance that their problems could be solved

Across all channels, in approaching debt advice, clients were above all seeking information on their options and rights (95%) and reassurance that their problems could be solved (93%), with very little variation between channels. Similarly, across all channels clients were seeking to take control of and manage their debts.

In practical terms, clients were looking for a way to repay their debt over time (85%), to stop their debt escalating (85%) and to reduce their payments to a manageable level, with six in ten (60%) hoping also to reduce or write off some debt. Eight in ten were seeking to stop pressure from creditors and six in ten to prevent court or repossession action.

Clients seeking breathing space from pressure and time in which to pay down debt in a manageable way

Chart 12. Outcomes hoping to achieve with debt advice



Base: Debt advice clients 504.

Little variation between channels in what clients are hoping to achieve in gaining control of their debt and repaying their creditors over time

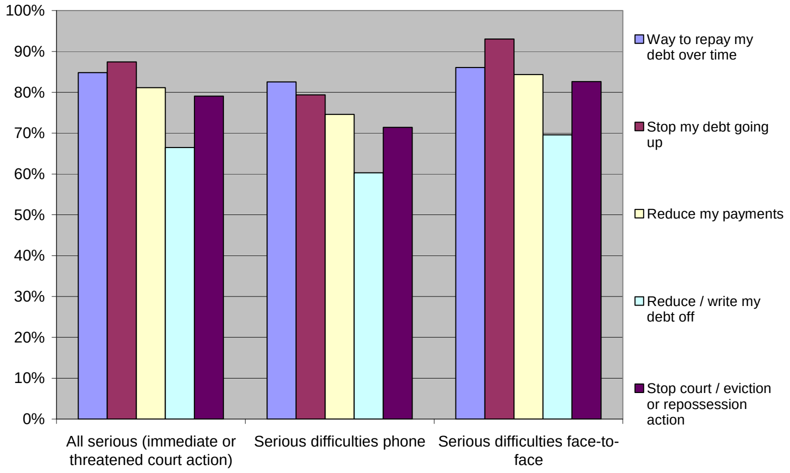
The channel variation in this pattern was not large and where it does occur is primarily determined by the urgency and seriousness of the debts involved, with the face-to-face channel having more of the most serious and urgent cases.

Those with the most serious difficulties are more focused on stopping court action but otherwise seek similar outcomes to debt advice clients overall

Those facing more serious debt problems had similar levels of need for reassurance and information on their options and rights and for stopping pressure from creditors as well as other debt advice clients. Predictably, they were more concerned with stopping court proceedings (80% of those with the most urgent and serious debt and 85% of their counterparts in the face-to-face channel), but otherwise were very similar in their aspirations to other debt advice clients. Those with serious difficulties in the face-to-face channel (60% of all those with serious / urgent difficulties) were slightly more concerned about stopping debt escalating, reducing payments and writing off debt than their counterparts in the phone channel, reflecting both the lower incomes of those in this channel and the greater likelihood that payment difficulties – and with them escalating debt – had been occurring over a longer time frame.

Few differences in people's priorities by channel among those with serious difficulties but face-to-face clients most concerned with stopping debt escalating

Chart 13. Outcomes hoping to achieve with debt advice, those with serious difficulties by channel



Base: All serious (immediate or threatened court action) 191. [All serious and phone 63]. All serious and face-to-face 115.

4.2 Hard outcomes

Overwhelmingly positive outcomes across all debt advice channels

Debt advice appears to be highly effective in delivering the outcomes that clients seek. It is clear that an overwhelming majority of clients consulting debt advice achieved a solution to their debt problems, with 92% of clients saying that they either benefited from a formal solution, had seen their debt repayment reduced to a manageable level or had been able to stop their debt escalating.

Three quarters (75%) of clients claimed that their debt stopped increasing and 73% had their debts reduced to a manageable level while 45% claimed that court or repossession action was stopped or prevented. Some 25% had all or some of their debt written off.

Differences in outcomes by channel tend to reflect the profile of channel users and the relative seriousness and urgency of their debt

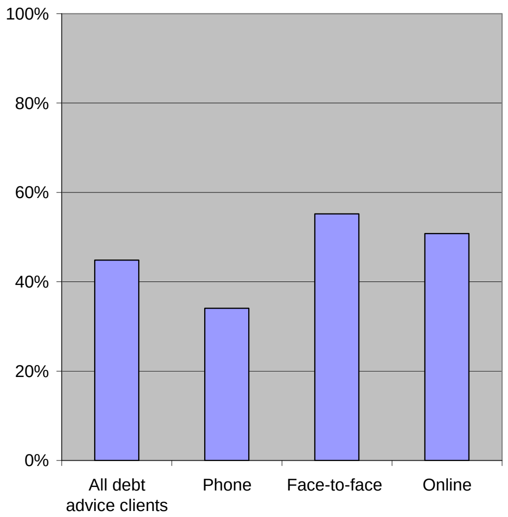
There are significant differences between channels in the position of clients when they first consult debt advice and thus in their immediate priorities and capacity to make meaningful arrangements to repay creditors. As discussed in earlier chapters, face-to-face clients are the most likely to be struggling with urgent priority debts on housing and bills, to be facing urgent court action and to need time for their finances to stabilise before they can move on to deal constructively with their debt. Online clients who tend to be struggling with unmanageable credit card debt are also likely to need a breathing space and to be facing court action. Phone clients, on the other hand, who consult debt advice at an earlier stage, are better positioned to make meaningful arrangements with creditors.

A higher proportion of clients have had court action prevented in the face-to-face and online channels

Prevention of court or repossession action was thus a feature of 55% of cases in the face-to-face channel and 51% of cases in the online channel,[9] compared to 34% of phone cases, where a higher proportion of clients present with less urgent debt problems.

Preventing court action is an important feature of outcomes in all channels and is a key first step for more than half of face-to-face clients

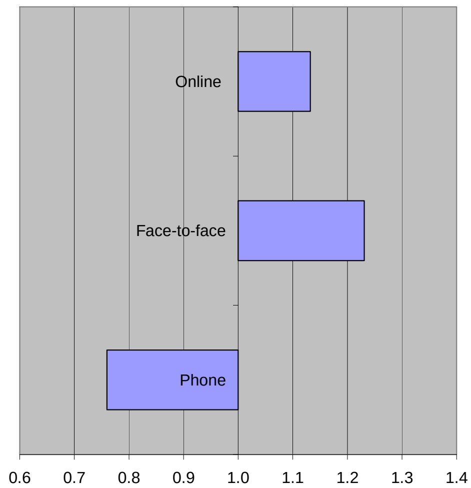
Chart 14a. Prevention of court action / repossessions by channel



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

Chart 14b. Outcomes of debt advice by channel – court action / repossession prevented

Indexed against the average for all debt advice clients



Base: Debt advice clients. Phone 226. Face-to-face 250. [Online 65.]1 = average for all debt advice clients

Face-to-face clients are more likely to have some or all of their debt written off reflecting their lower capacity to repay and more constrained circumstances

Measures to enhance the manageability of debt, preventing further escalation and thus restoring a degree of control to debtors' finances, are among those most valued by debt advice clients. In some cases, this means that all or a proportion of debt is written off. Face-to-face clients, with the lowest income and least capacity to repay their debt, are also the most likely to have their debt written off, being 30% more likely to have some or all of their debt written off than other debt advice clients. A third (33%) of face-to-face clients have their debts written off, compared to one in five (19%) of phone clients. In the online sample, a little over a quarter (26%) had their debt written off.[10]

A high proportion of clients in all channels have payments reduced or interest frozen but to a lesser extent in the phone channel

For many debt advice clients, stopping their debt escalating is itself a huge relief. Eight in ten face-to-face clients (82%) and 78% online clients[11] said that their debt

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[9] See note 2 in Appendix E in the appendices for the results from the alternative self-selected online sample.
[10] See note 3 in Appendix E in the appendices for the results from the alternative self-selected online sample.
[11] See alternative online sample note 4 in Appendix E in the appendices.

stopped increasing as a result of consulting debt advice, compared to two thirds (66%) of phone clients.

Restructuring payment schedules so that debt payments are reduced is also a feature of the effort to make debt more manageable and figures in a high proportion of agreements made with creditors. Again, face-to-face and online clients were more likely than phone clients to have their payments reduced. Some 78% of face-to-face clients and 82% of online clients[12] – compared to 68% of phone clients – say that their debt repayments had reduced to a manageable level. Again, this reflects the higher proportion of "worried well" in the phone channel and the greater incidence of being able to keep up repayments prior to consulting debt advice.

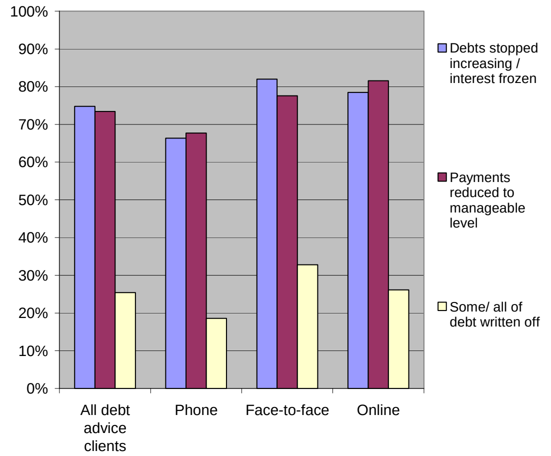
The greater propensity for clients in the face-to-face channel to have their debt written off or reduced is true even of the most urgent cases facing court action. Some 84% of face-to-face clients with serious difficulties (i.e. those facing or threatened with court action) had their debts frozen to prevent further escalation, compared to 65% for those with serious difficulties in the phone channel. Some 75% of face-to-face clients with serious difficulties reported that their debts were reduced to a manageable level, compared to 60% of clients with serious difficulties in the phone channel. Some 37% of those with serious debt in the face-to-face channel had some or all of their debt written off compared to 14% of their phone-based counterparts. Those facing court action among phone clients faced no less urgent action than their counterparts in the face-to-face channel. The differences appear to arise because phone clients with urgent debt problems are significantly better off than their face-to-face counterparts, albeit that they owed more relative to their income.

Overall outcomes on debt manageability are broadly similar by channel albeit that more face-to-face clients have their debt written off

Taken together however, as can be seen from the chart below the overall pattern of outcomes is broadly similar across channels, with a high proportion of clients in each channel benefitting from reduced payments and the prevention of escalating debt.

Channel differences on measures taken to enhance debt manageability primarily a function of client needs

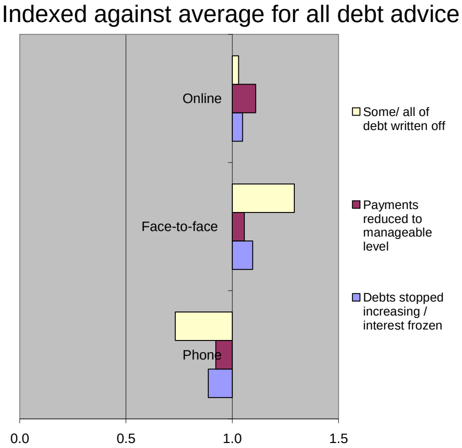
Chart 15a. Enhanced debt manageability by channel



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

Chart 15b. Enhanced debt manageability by channel

Indexed against average for all debt advice clients



Base: Debt advice clients. Phone 226. Face-to-face 250. [Online 65.]1 = average for all debt advice clients

[12] See note 5 in Appendix E in the appendices for the results from the alternative self-selected online sample.

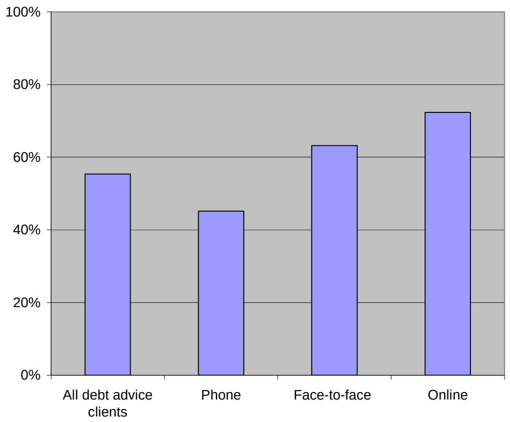
Face-to-face and online clients are more likely to be able to afford only token repayments to creditors until circumstances change

The facility to create a breathing space by agreeing to make a token payment to creditors represents an important solution to their immediate pressures for a relatively high proportion of clients, with 55% of all clients claiming to have done so.

At the point they first consulted debt advice, a much higher proportion of face-to-face (63%) and online (72%)[13] clients were only able to make a token payment repayment to creditors than was the case for phone based clients (45%).

Phone clients who are more likely to be "worried well" are better able to make meaningful repayments on their debt

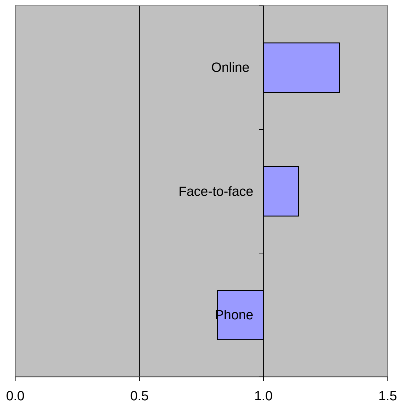
Chart 16a. Token payment arrangement by channel



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

Chart 16b. Outcomes of debt advice by channel – token payments to creditors

Indexed against average for all debt advice clients



Base: Debt advice clients. Phone 226. Face-to-face 250. [Online 65.] 1 = average for all debt advice clients

Small differences between channels in agreeing repayment arrangement with creditors reflect differences in the profile of clients using different channels

Ultimately, however, once these initial arrangements have been put in place and debt repayments have been restructured to become more manageable, the overall incidence of making formal arrangements with creditors to repay debt over time through debt management plans (DMPs) and individual voluntary arrangements (IVAs) is actually fairly similar between channels. There is little difference between the phone and face-to-face channels, with face-to-face clients in fact slightly more likely to make such arrangements than phone clients. This in part reflects the tendency of those in the face-to-face channel to recover sufficiently to make meaningful repayments after a period of stabilisation (see payment performance following in 4.3).

As shown earlier, the most common outcome of debt advice is for clients to agree an informal debt management plan (DMP) with creditors. This was achieved for some 55% of phone based and 60% of face-to-face clients. The claimed incidence of such plans was higher among the online sample, at 72%[14] of online clients, reflecting their higher incomes and the higher proportion of credit card debt within their debt overall, made more manageable through restructured payments. Some 29% of phone based clients, 31% of face-to-face clients and 22% of online clients claimed to have agreed an Individual Voluntary Arrangement (IVA). There was little difference in the incidence of claimed DROs, 12% of phone based clients, 13% of face-to-face clients and 12% of

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[13] See note 6 in Appendix E in the appendices for the results from the alternative self-selected online sample.

[14] See alternative online sample note 7 in Appendix E in the appendices.

online clients, in which clients are likely to have their debt written off after a set period of time.

Similar outcomes across all channels even for those with most urgent and serious debt

Even for those with the most urgent debt, there appears to be little difference between the face-to-face and phone channels in reaching agreement with creditors. Among those with the most serious difficulties, 54% of face-to-face clients and 56% of phone based clients have arranged a DMP. There is however a higher incidence of DROs among those with serious difficulty in the face-to-face channel (at 11% compared to 4% in the phone channel), reflecting the generally lower value debt in the face-to-face channel.

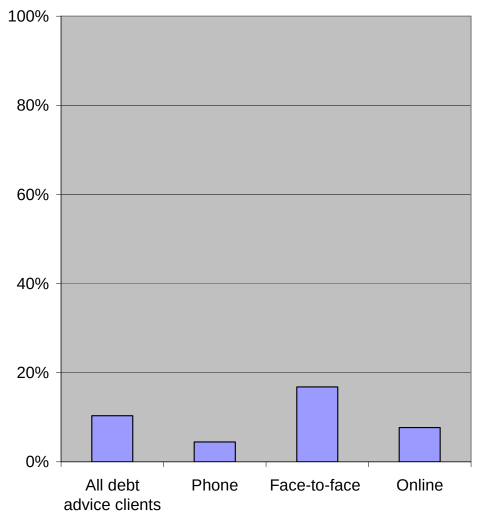
Bankruptcy a more likely outcome in the face-to-face channel reflecting low asset values among those on the lowest incomes

For some clients, however, with no realistic prospect of repaying their debts, bankruptcy may be the most practical and positive way forward, being the outcome of debt advice for some 10% of debt advice clients overall. Here however there were significant differences between channels, again reflecting the profile and circumstances of the clients of different channels.

Bankruptcy was a more likely outcome for face-to-face clients than for those in other channels, reflecting both the greater likelihood that these clients had no significant assets and the greater incidence of more urgent debt problems. The outcome of debt advice was bankruptcy for 17% of clients in the face-to-face channel, compared to 8% of online clients and 4% of phone clients.[15]

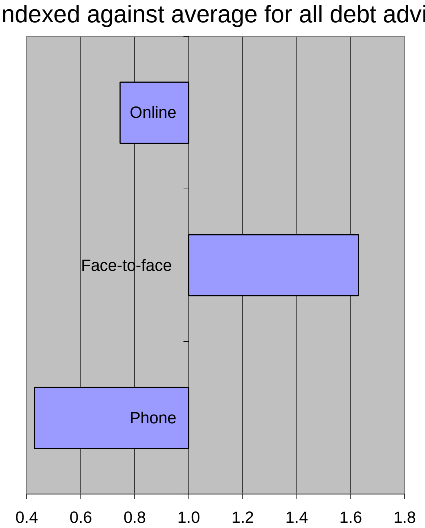
Face-to-face clients are more than one and a half times more likely to face bankruptcy than other debt advice clients

Chart 17a. Incidence of bankruptcy by channel



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

Chart 17b. Incidence of bankruptcy by channel
Indexed against average for all debt advice clients



Base: Debt advice clients. Phone 226. Face-to-face 250. [Online 65.] 1 = average for all debt advice clients

[15] See note 8 in Appendix E in the appendices for the results from the alternative self-selected online sample.

4.3 Repayment performance

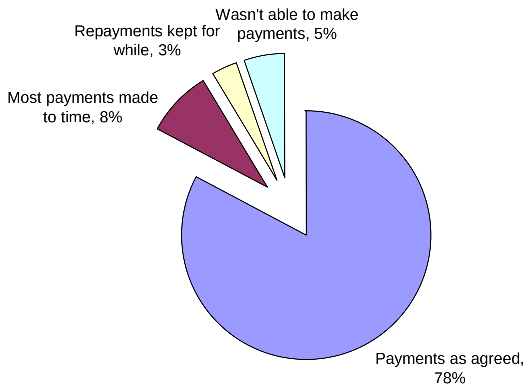
Repayment performance is high across all channels with the failure rate for the small minority who fail to keep up repayments highest for face-to-face clients

Overall repayment performance on repayment arrangements with creditors would seem high across all channels. Overall, 86% of the debt advice clients who had taken on repayment plans claim to have kept up or to have largely kept all repayments to time. In fact the overwhelming majority, 78%, claimed that they made all repayments agreed to time while a much smaller group (8%) claimed to largely keep up payments. Phone and online clients were only a little more likely to be able to keep up repayment arrangements on DMPs and IVAs than face-to-face clients. More than eight in ten (82%) in both the face-to-face and online channels (note small base for online clients = 45) claimed to have kept up payments to schedule, compared to 73% of those in the face-to-face channel. A further 5% of phone based clients and 11% of face-to-face clients also claimed to have largely kept up payments.

The failure rate, of payments that could only be sustained for a short while or where payments were not made at all was 5% in the phone channel, 11% in the face-to-face channel and 9% in the online channel.[16]

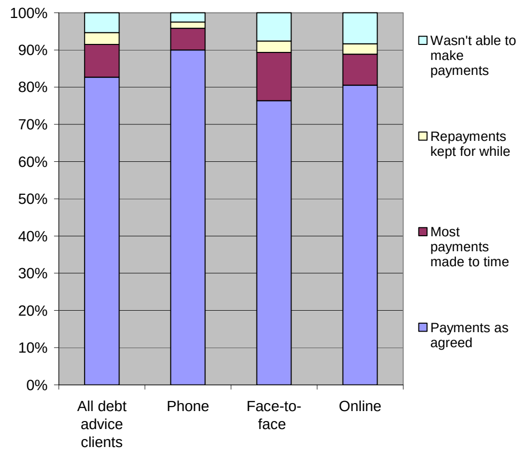
More than eight out of ten debt advice clients keep to repayment arrangements with creditors – with face-to-face clients only slightly less likely to do so

Chart 18a. Whether able to keep to repayment schedule



Base: Debt advice clients who had made DMP or IVA 276.

Chart 18b. Whether able to keep to repayment schedule by channel



Base: Debt advice clients who make repayment agreements with creditors. All debt advice clients 338. Phone 127. Face-to-face 136. [Online 37.]

The profile of the phone sample was more recent than the free-recruited face-to-face sample however, so the research team also examined differences in maintaining payment rates for those whose arrangement had been made for less than, and for longer than, two years. These channel differences appear to hold good over time, in that 80% of the phone based clients within two years of their agreement had kept up repayment arrangements, as had 87% of those who had made their arrangements more than two years ago. The equivalent for their face-to-face counterparts was 70% and 77% respectively. It should be borne in mind however, that the bases for these sub-sets are relatively small, so again findings should be viewed as indicative.

[16] See note 9 in Appendix E in the appendices for the results from the alternative self-selected online sample.

Six in ten of those making token repayments have not been able to increase their payments

The picture for those making token repayments is rather different, reflecting in large part the much more difficult financial situation of these clients when they approached debt advice.

Overall, almost six in ten (58%) of those who had made a token repayment arrangement had not been able to make any higher repayments to creditors since making the arrangement, while 10% had increased their repayments but still only at a token rate. Some 17% had however settled the outstanding balance in full while 5% had settled the debt at an agreed level that was lower than the original balance outstanding when the token arrangement was made. Some 9% had been able to increase their repayments to pay off the debt over time.

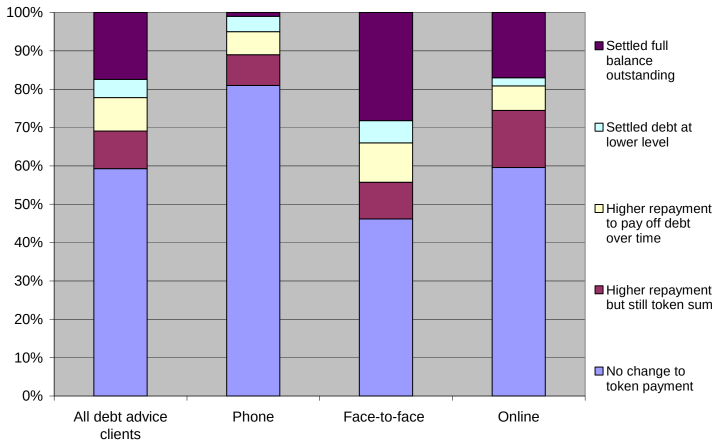
The recovery rate for those making token repayment arrangements appears to be higher in the face-to-face than the phone channel

Here the differences between channels are quite striking and reflect the greater likelihood that face-to-face clients in particular needed a breathing space while their finances stabilised before they could make meaningful arrangements to repay their debt.

The effective recovery and repayment rate was significantly higher for face-to-face clients than for phone clients, with online clients falling between the two. For phone clients, eight in ten (79%) had not increased their payments while in the face-to-face channel this fell to 46%, with 60% of those in the online channel unable to increase their payments also. Those who had settled their balance in full however, were concentrated overwhelmingly in the face-to-face channel with 28% having done so. This compares to 1% of those in the phone based channel. This reflects in part the lower incidence of clients needing to make token payments in the phone channel and the higher proportion of phone-based clients able to make meaningful repayments from an early stage in the process. It also reflects the greater likelihood that face-to-face clients were in crisis at the time of consulting debt advice, and the necessity for recovering for a period before being able to devote funds to repaying creditors, albeit that they may be repaying at a level that is lower than the debt with which they originally presented, reflecting debt write-off and restructuring. The channel differences are nonetheless striking.

Face-to-face clients are more likely to move on from making token repayments and to repay their debt to an agreed level

Chart 19. Outcomes of token payment agreements by channel



Base: Debt advice clients who had agreed to make token repayment. All debt advice clients 279. Phone 102. Face-to-face 158. Online 47.

This broad pattern was also sustained when broken down by time bands. Among face-to-face clients who had made token repayment arrangements within the last two years, 57% had made no change in their token payment but 17% had repaid their debt in full. For their counterparts making arrangements through phone channels, 84% had not changed their token payment while only 1% had settled their balance. For face-to-face clients who had made a token arrangement more than two years ago, 34% had not changed their token payment while 39% had settled their balance in full. For phone based clients, 65% had not made a change in repayments and none had paid off their balance in full. Again, it should be borne in mind that the bases for these sub-sets are small, and particularly so for those in phone channels who had made arrangements more than two years ago. The data should thus again be viewed with caution as indicative however, given the small sample sizes.

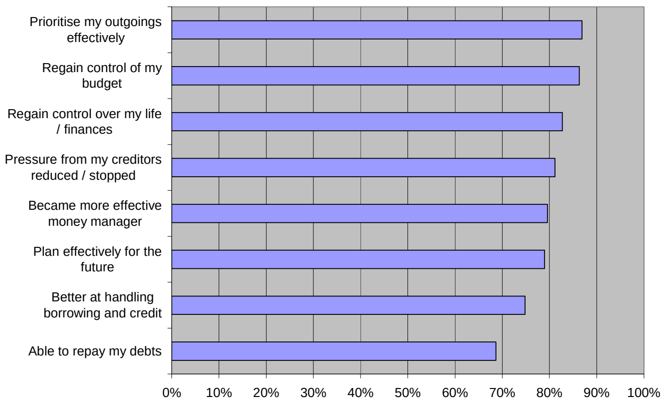
4.4 Soft outcomes

Across all channels debt advice is delivering improved financial capability and financial resilience

Reported soft outcomes in terms of improved financial capability and resilience are also high across all channels. Debt advice clients across all channels feel very much better equipped to regain control of their lives and finances and to manage their money effectively, while also being better able to handle credit and in a better position to repay their debt.

Clients overwhelmingly feel that debt advice has enabled them to regain control of their lives and finances

Chart 20. Outcomes of debt advice – financial management and capability



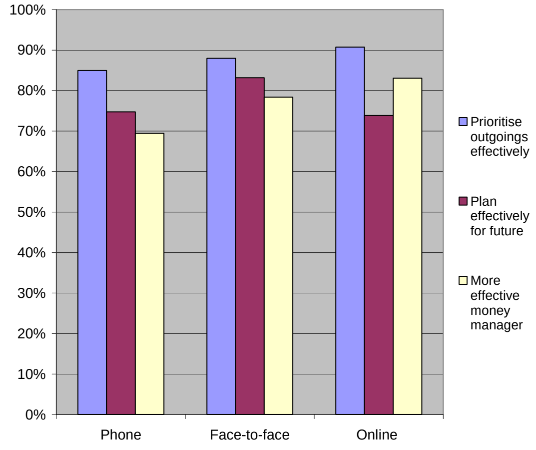
Base: Debt advice clients. All debt advice clients 504.

Little difference between channels in soft outcomes

The differences between channels in terms of these soft outcomes are not large, albeit that the face-to-face channel appears to have achieved slightly higher uplift in capability and ability to plan for the future than the phone channel which reflects in part their initial starting points. The relatively lower uplift in the phone channel reflects the lower incidence of serious difficulty among phone based clients. It may also reflect the greater tendency of phone based clients to budget carefully and to take a more considered attitude to taking on credit. Those in the face-to-face channel faced more serious difficulty at the point they consulted debt advice, while those in the online channel were those least inclined to budget and least considered in their credit use. Both client groups would thus have had further to travel in recovery and experienced greater uplift in financial capability in the process.

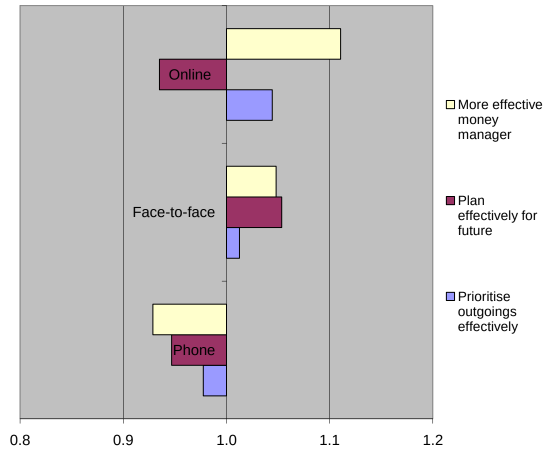
The differences in uplift in financial capability reflect the different starting positions of clients of the different channels

Chart 21a. Outcomes of debt advice – financial capability



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

Chart 21b. Outcomes of debt advice – financial capability



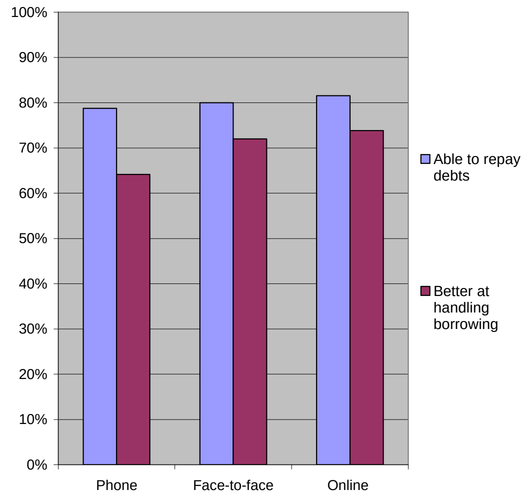
Base: Debt advice clients. Phone 226. Face-to-face 250. [Online 65.] 1 = average for all debt advice clients

Online clients most likely to have struggled with card debt are also those most likely to experience improvement in their ability to handle borrowing and debt

All debt advice clients experience a significant uplift in their ability to handle credit. The enhancement is most marked in the online channel. Online debt advice clients were those with a higher incidence of irresponsible borrowing and credit over-stretch, so that the uplift in ability to manage credit and borrowing is correspondingly higher.

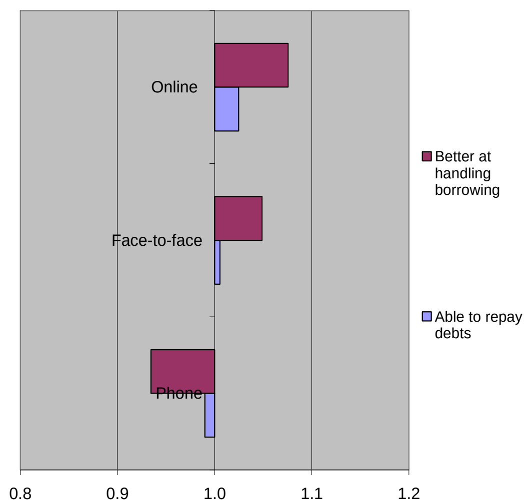
Overall outcomes in terms of enhanced ability to handle credit is very similar across channels

Chart 22a. Outcomes of debt advice – ability to handle credit



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

Chart 22b. Outcomes of debt advice – ability to handle credit



Base: Debt advice clients. Phone 226. Face-to-face 250. [Online 65.] 1 = average for all debt advice clients

The evidence is overwhelmingly that debt advice is delivering positive outcomes for both clients and creditors. There are clear differences between channels in outcomes achieved, both hard and soft, but these appear to reflect primarily the differences between clients in different channels in terms of their incomes, circumstances, the seriousness of their debts, whether they had assets and, of course, their capacity to repay.

It is clear that all channels are able to produce excellent outcomes for clients facing even the most serious and urgent debt. That said, the strengths of the face-to-face channel in supporting clients with urgent problems through a period of difficulty and into a place where they are able to recover and repay their debt is well illustrated in the high level of recovery from making token payments, a development which does not appear to occur in the same way in online channels.

5.0 Chapter 5. Satisfaction with advice

- For debt advice clients, factors such as time to explain problems, a non judgemental environment, privacy and confidentiality, integrity, professionalism and personalised advice are all more important than relationships with advisers or any channel specific factors, such as face-to-face contact or the anonymity of a phone call.
- Across all channels, debt advice performs highly against all dimensions of expectations and needs, with little variations between channels.
- Satisfaction both with overall outcomes and quality of advice is very high across all channels, with phone based channels marginally ahead of face-to-face and online a little below average.
- Similarly, across all the individual components of satisfaction (such as quality of relationships with advisers or understanding of recommendations), satisfaction was high with little variation between channels. Clients in face-to-face channels were slightly less likely than those in phone channels to feel that they could take time to explain, to feel that they got as much support as they needed or that they had a good relationship with the adviser, albeit that on all these dimensions satisfaction is nonetheless high.
- Around half of debt advice clients indeed feel that debt advice over-delivered compared to their initial expectations, with no difference between the face-to-face and phone channels. Online clients were more likely to see advice delivery as in line with their expectations.

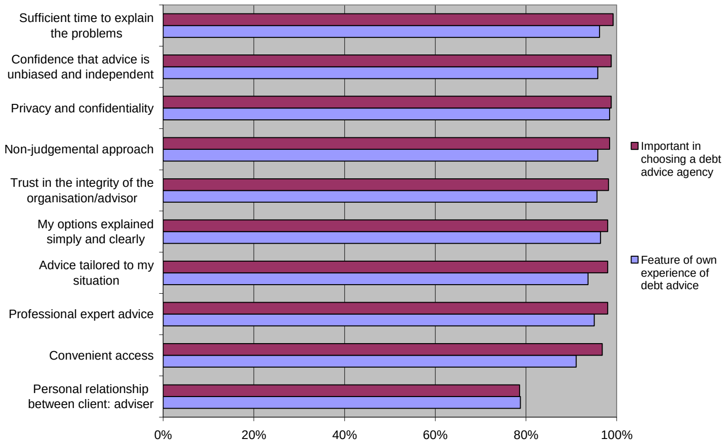
This chapter describes clients' satisfaction with the advice process and any variations between channels.

The researchers asked clients both about what was important to them in choosing a debt advice agency and about how far their priority features were a feature of their own experience. The most important factors were sufficient time to explain the problems, confidence that the advice they receive is independent, a non judgemental approach and trust in the integrity of the organisation or adviser, options being explained simply and clearly, advice tailored to their situation, professional expertise and convenient access. All of these factors were cited as critical by more than 95% of all clients. By contrast, establishing a personal relationship with an adviser was less important, cited by slightly less than eight in ten clients overall. Channel specific factors, such as seeing advisers face-to-face to face and the anonymity of a phone call, while still important, in that cited by 54% and 74% respectively, were nowhere near as critical as the other factors described earlier in the front rank of concerns.

It is clear that debt advice overwhelmingly meets clients' expectations in all important respects. Across all of these parameters, as can be seen in the following chart, the vast majority of debt advice clients felt that debt advice had delivered on these desired features. Clearly, with such high levels of performance fitting with expressed need, client experience is strongly positive across all channels.

Clients clearly feel that debt advice as delivered overwhelmingly meets needs in all respects that are considered important

Chart 23. Own experience of debt advice relative to what perceive as important feature in debt advice agency



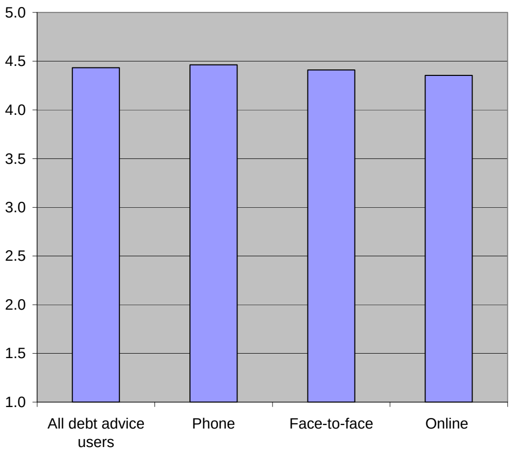
Base: Debt advice clients. All debt advice clients 504.

The differences between channels were small. Clients were asked to score their overall satisfaction on a scale of 1 – 5 with 1 being very dissatisfied and 5 being extremely satisfied. All channels scored close to 4.5 on both overall outcomes and satisfaction with the quality of debt advice. On overall outcomes, phone channels were very slightly ahead and online very slightly behind average scores across all channels. On satisfaction with quality of debt advice, all channels scored uniformly highly.

High levels of satisfaction across the board on both outcomes and quality of debt advice with very little difference between channels

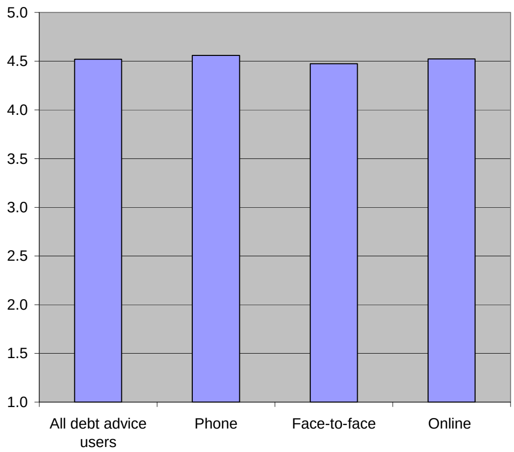
Overall satisfaction with outcomes and quality of debt advice
Satisfaction on 1 – 5 scale. With 1 = very dissatisfied and 5 = very satisfied

Chart 24a. Satisfaction with outcomes of advice



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65].

Chart 24b. Satisfaction with quality of debt advice



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65].

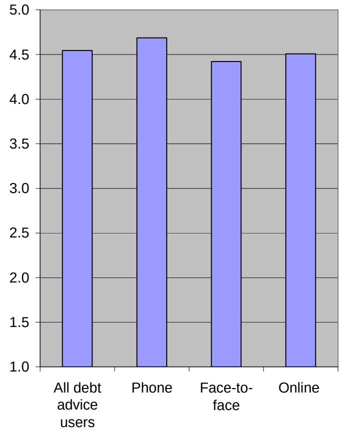
A similar pattern was true of the various components of satisfaction. All channels scored highly on satisfaction with whether "I could take the time to fully explain my situation", with the phone channel slightly ahead of other channels. The phone channel was also ahead, on "whether the adviser was available as often as support was needed", with the face-to-face channel weaker in this respect than other channels, albeit that all channels scored well. Satisfaction with whether the agency or adviser was "on top of my case throughout" was a little lower overall than for other dimensions, but with little difference between channels.

Little difference between channels on degree of support provided with phone channels slightly ahead of other channels

Perceptions of selected components of debt advice

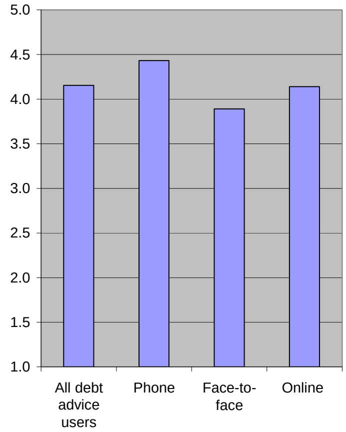
Agreement with statements on 1 – 5 scale. With 1 = disagree strongly and 5 = agree strongly

Chart 25a. I could take the time to explain my situation fully



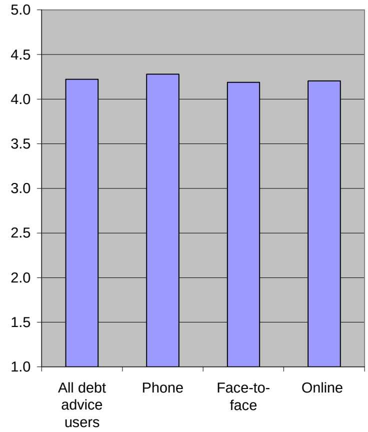
Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

Chart 25b. I felt that the adviser was available as often as I needed support



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

Chart 25c. The adviser / agency were on top of my case throughout



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

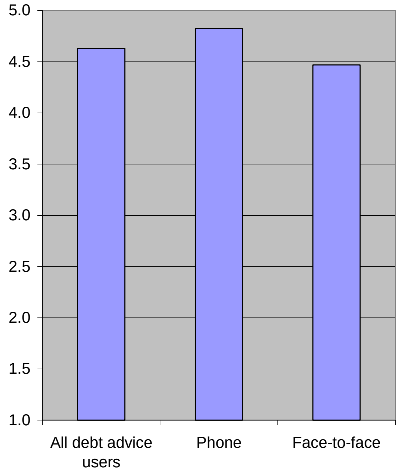
Importantly, this same pattern holds broadly true for those elements of personal interactions and relationships with advisers, which might have been expected to be a particular strength of face-to-face delivery. Both face to face and phone channels scored highly on “I was comfortable with the adviser and did not feel judged” – however, satisfaction on this dimension was in fact highest in the phone channel. Similarly, in terms of relationships with the adviser, the phone channels scored slightly ahead of the face-to-face channel on “I had a good relationship with the adviser”.

Good client relationships clearly being established remotely with phone channels slightly ahead of face-to-face

Perceptions of selected components of debt advice

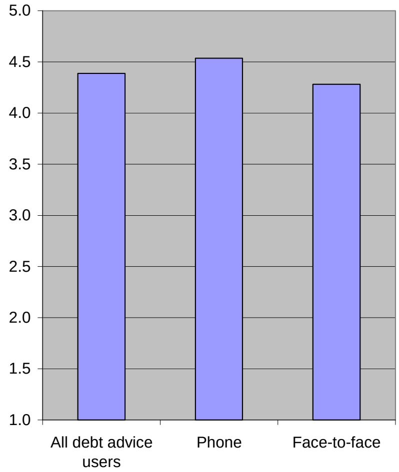
Agreement with statements on 1 – 5 scale. With 1 = disagree strongly and 5 = agree strongly

Chart 26a. I was comfortable with the adviser and did not feel judged



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250.

Chart 26b. I had a good relationship with the adviser



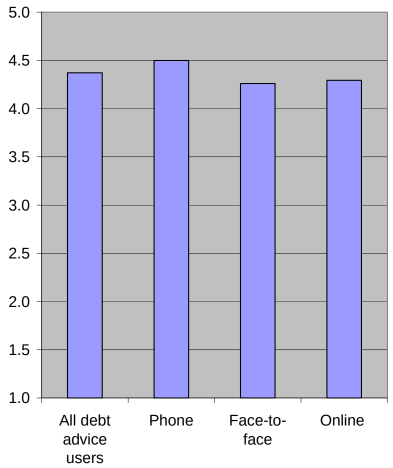
Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250.

Clearly, it is critical both that clients are able to understand the recommendations made by debt advisers in different channels and that they subsequently are able to follow the advisers' recommendations. As with other dimensions of satisfaction, all channels scored highly on both clients' ability to understand recommendations and whether clients felt able to follow advisers' recommendations. Again, the phone channel scored slightly ahead of other channels.

Recommendations made remotely appear to be as effectively understood as those delivered face-to-face

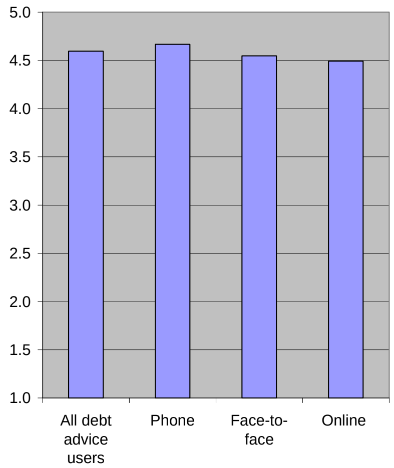
Perceptions of selected components of debt advice
Agreement with statements on 1 – 5 scale. With 1 = disagree strongly and 5 = agree strongly

Chart 27a. I understood and was comfortable with the paperwork



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

Chart 27b. I understood the recommendations made by the adviser



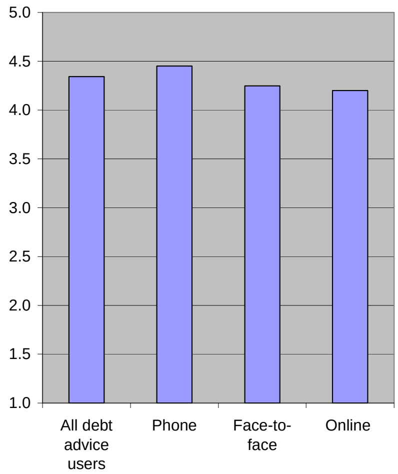
Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

As with other dimensions of satisfaction, all channels performed strongly when asked about the degree of practical support and follow up after the formal conclusion of the case/advice intervention. Once again, the phone channel scored slightly ahead of other channels on both dimensions.

Little difference between channels also on perceptions of support and after care

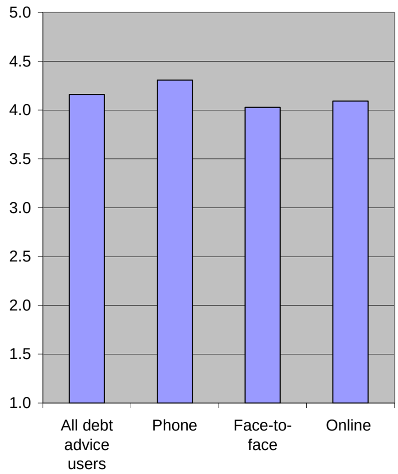
Agreement with statements on 1 – 5 scale. With 1 = disagree strongly and 5 = agree strongly

Chart 28a. I got as much support as I felt I needed



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

Chart 28b. I got as much follow up as I needed

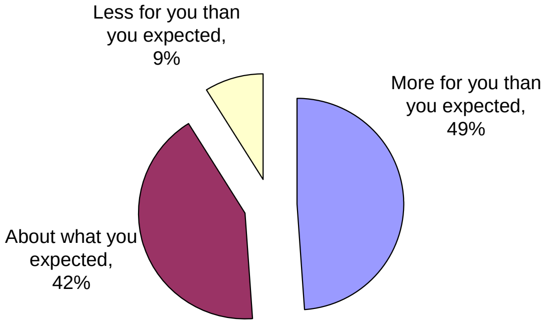


Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

Finally, clients were asked whether debt advice had done more or less for them than they had expected. Almost half (49%) of clients felt that debt advice had done more for them than they had expected, with four in ten (42%) feeling than debt advice had delivered “about what was expected. Less than one in ten (9%) felt that debt advice had done less than they had expected. There were no significant differences between channels in this respect. However, online clients were less likely to feel that debt advice had delivered more than they had expected.

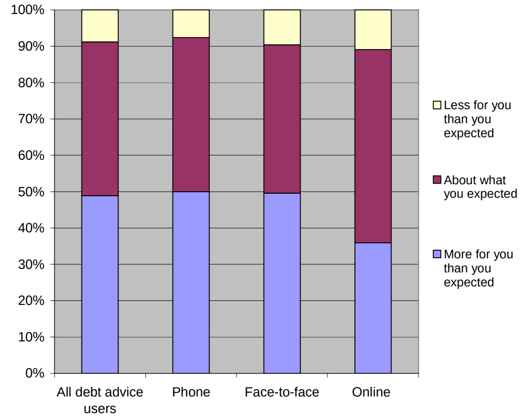
Half of clients feel that debt advice has delivered more than they expected with just one in ten feeling that they had achieved less than they had hoped for
Perceived service delivery relative to expectations

Chart 29a. Advice delivery relative to expectations



Base: Debt advice clients. All debt advice clients 504.

Chart 29b. Advice delivery relative to expectations by channel



Base: Debt advice clients. All debt advice clients 504. Phone 226. Face-to-face 250. [Online 65.]

When drawing the various strands of satisfaction together, it is clear that debt advice is performing to client expectations and delivering to client needs across all dimensions that matter to clients. There are very high levels of satisfaction across all channels with little difference between channels. There do not appear to be significant differences between phone and face-to-face channels in terms of either personal relationships or ability to understand and act on recommendations, areas that it might have been expected would be areas of strength for the face-to-face channel. Indeed, if anything, the phone channel appears to be marginally more effective on both counts. Equally, it is notable that online channels do not appear to deliver significantly inferior levels of satisfaction, albeit that levels are not quite as high as in other channels.

6.0 Chapter 6. Conclusions

We here briefly pull together the conclusions arising from this volume of the findings of the channel strategy research focused on channel user profiles, choice and use, the experience and outcomes of debt advice and client satisfaction. A second volume of this report explores the potential for channel shift, draws together the conclusions for the research study as a whole and puts forward recommendations for consideration.

As existing literature suggested would be the case, current channel configuration appears to be shaped, primarily, by supply-side, rather than demand-side, factors.

- Clients do not necessarily bring strong channel preferences to seeking advice, nor do they choose agencies on the basis of delivery channel.
- Awareness of debt advice services and the different channels is very low and many are at crisis point by the time they seek advice and do not shop around.

Many clients are open to – and already use – a mix of channels and a high proportion are comfortable with remote channels, provided these meet needs in other respects.

Key needs going forward are not channel-centric but are rather about factors – integrity, independence, professionalism, effective personalisation, support, etc – which can be delivered in remote as much as face-to-face channels.

Vulnerable debt advice clients are to be found in both face-to-face and remote channels – although disadvantaged clients are more likely to use face-to-face channels.

Advice experience appears consistently good across all channels with vulnerability making little difference to satisfaction and channel comfort.

Whatever mix of channels is used, regardless of initial preferences, debt advice clients are highly satisfied and satisfaction appears to differ little by channel.

Allowing for differences in client profiles, outcomes appear to differ little by channel.

Differences in outcomes on resolution of debt problems appear primarily shaped by differences in the profile of those presenting to each channel – those using face-to-face have more serious and urgent problems.

Outcomes in relation to financial capability, effective money management and ability to handle credit are very similar across channels. Indeed, in many areas clients report advice exceeding their expectations.

Against this background, the second volume of this report examines in some detail the potential for channel shift and explores whether and on what scale this could be achieved while protecting the most vulnerable clients who need face-to-face advice.