

How people in debt are coping with the impact of Covid-19

Stories from the debt advice
front line

**NATIONAL
DEBTLINE**

**BUSINESS
DEBTLINE**

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Foreword

Households across the UK are grappling not just with the health implications of Covid-19 and the upheaval to their daily lives, but also their finances. We know from the steady flow of media headlines and statistics that the financial effects will not be equal - some sectors are more impacted than others and economic winners and losers will emerge.

At National Debtline and Business Debtline we help the people who sit behind those numbers – those in the hospitality industry whose jobs have disappeared, taxi drivers whose custom has dried up, bar owners who have lost all their trade overnight.

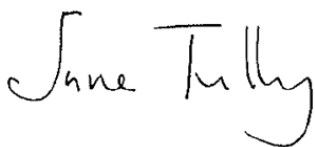
Here we share some of their stories. In telling them, we want to help policy-makers, regulators and creditors to stand in their shoes and understand their hopes, realities and priorities. By understanding these, we can work more effectively together to help people.

There is no doubt that government support and creditor forbearance have delivered a lifeline for many, but our stories show people who have fallen through the cracks because they aren't eligible for existing schemes or the support available just isn't quite enough. This can lead to a sense of hopelessness where they see no way forward.

Some have been thrown back into debt having just started to resolve their issues. Others are experiencing problem debt for the first time – and with it the feelings of stress, vulnerability and lack of control. For people we help through Business Debtline, the impact has been far-reaching. Some have had to cease trading with no income and a legacy of business-related debt that will cast a long shadow over their lives.

Despite this bleak picture, many of those who received advice in recent months from National Debtline and Business Debtline, have tackled their debts whilst taking control of their finances and feel positive that they will be able to get through the current turbulence. Careful money management has become part of their everyday lives.

Our job as debt advisers goes far beyond the technical advice we give – it's about building people's confidence and belief in their ability to deal with their debts. And where we find short-falls in policy and practice, our role is to advocate for safer routes out of debt. This all starts with understanding people's real-world situations* – and we hope that the stories told below will help with that.



Jane Tully
Director of External Affairs
Money Advice Trust

**Names and some identifying details have been changed to protect anonymity*

The experiences of callers to National Debtline

As the financial impact of coronavirus hits people's income, we are supporting an increasing number of people who are relying on benefits – some for the first time in their lives. Many have had to adapt the way they spend their money to be able to cope on this new, lower income.

With unemployment rising, especially in sectors hard-hit by Covid-19, at National Debtline we are unsurprisingly being contacted by an increasing number of people in receipt of Universal Credit. For some this is the first time they have had to rely on benefits and they are having to adapt by cutting back their spending.

Some have had to apply for a Universal Credit advance payment to bridge the gap but that has not always been enough to cover their outgoings, with some having fallen behind with essential household bills for the first time. Equally we are hearing again from many people who had partly or fully resolved their debt problems – only to find Covid-19 has brought an unwelcome return to the stress and anxiety of owing money again.

Linda's story

On Universal Credit and back in debt

Linda* lives on her own in a rented flat. She usually has catering jobs through agencies and has always had a steady stream of work. She likes the variety and flexibility this brings, and loves the buzz of meeting new people.

She had contacted National Debtline last year as she had a car loan and credit cards that she could no longer afford to keep up with and she had successfully applied for a DRO which had been a weight off her mind. *"It was a massive help."*

However, since Covid-19 her work has dried up and the agency has been unable to find her alternative positions. She applied for a temporary contract as a cleaner but was told 200 people had already applied for the position and as she didn't have any experience she would be unlikely to get an interview. She continues to apply for jobs but is finding the knock-backs disheartening. *"As I've got no real qualifications, I'm just kind of applying for cleaning jobs, stuff like that. But I think everyone's in the same boat, everyone's applying for the same jobs."*

Linda is claiming Universal Credit for the first time. She had a £400 advance payment but couldn't cover the cost of her full rent or other bills. Her regular Universal Credit payment is just enough to cover her rent with a little left over for food. It doesn't cover her other essential bills so arrears are building up on those. *"I've not paid any of my bills because I just pay my rent so I've got somewhere to live, and then whatever's left over I use for food and stuff. When I go food shopping I just buy the cheapest stuff I can possibly get and try and stretch it."*

Her landlord has agreed she can *"tag the missed payment on to the end"* and she hasn't heard anything about the other bills yet. She knows her quarterly energy bill is also due any day now. She doesn't know how she will cover that.

Linda is also very mindful that Universal Credit is currently being paid at a higher amount, an additional £20 a week, and she doesn't know how she will manage if it drops back to its usual level. Currently, the government has said the £20 a week uplift will be in place until March 2021, but she had found it hard to access this information as a claimant herself.

She has been trying to find out if her payment will go down, and how much she will lose but has found the Universal Credit website impossible to navigate to get any more information. *"I've been trying to find out if my payments are going to go down. But when you go on the website it just sends you round in a cycle. And you can't ring up and speak to them. I'm thinking it's going to go down more. I'm really going to be up the creek without a paddle. So I'm kind of waiting on that all the time, you know. Panicking about whether it's going to get to the end of the month, am I going to be able to live?"*

Being catapulted unexpectedly back into debt is taking its toll on Linda and she is struggling to cope emotionally. *"It's not a route I want to go down again, getting into debt. But at the moment it's looking impossible to not get in debt. I'm just hoping it doesn't snowball and I can get back to working soon. For a long time I had depression and I'd kind of got on top of that and stuff. But now I feel like it's affecting my mental health and my depression. I've not been able to go to the doctors because I can't get an appointment."*

Covid-19 is having a big impact on the mental health of many people, especially those already struggling, and anxiety over debt can increase this, particularly for those who feel most isolated.

The link between debt and mental illness is well established and we see the real impact this has on our clients at National Debtline. Almost 30% of people who called the service in 2019 told us that they had a mental health condition such as anxiety or depression, and we are sadly increasingly speaking to people who tell us they feel suicidal. Covid-19 has exacerbated existing mental health conditions for many of the people we help and this, coupled with a sense of hopelessness about their situation, is having a serious impact on their lives.

The role of creditors in this is key, as aggressive collection tactics can lead people to feel there is no resolution to their problems.

Many creditors now have dedicated teams to support vulnerable customers and we encourage our clients to disclose how they are feeling so that they can get the support they need.

The current creditor forbearance measures, whilst undoubtedly welcome, are masking debt problems for some. But the creeping knowledge that at some point collections activity will resume again is never far from peoples' minds, and living with this dark shadow during Covid-19 has been a lonely and isolating experience for some.

Derek's story

Debt, depression and isolation

Derek* works as a bus driver for Transport for London and relied on over-time to make ends meet. However, since the Covid-19 outbreak, this overtime has stopped and he has seen his income drop by half. Derek has depression and is taking medication which he has had to increase since lockdown.

He had contacted National Debtline because he owed money on his council tax bill and had tried to negotiate with the local authority but found them to be unhelpful so he had disengaged. At the time of calling us they had passed the debt to bailiffs who had clamped his car. The National Debtline adviser talked to him about disclosing his diagnosis of depression and using his budget to offer affordable repayments. As a result he had started to repay the debt.

However, with the drop in income he has had to stop making the repayments. Derek spoke to the local authority who were sympathetic and agreed to a payment break, which surprised him. *“Before they used to be really bad, sending threatening letters – now they’re a lot softer.”* He thinks more could be done to help people in his situation. *“It’s no one’s fault, so I’d expect government to say ‘we know you’re struggling and as a goodwill gesture we’ll write off your debts’.”*

Other debts are starting to build and Derek has been in contact with all of his creditors. He admits that this has been last-minute so his creditors have already sent him letters which he has found stressful. He hasn't been able to see as much of his children and not having support around him is having a big impact on how he feels. *“It’s a very, very bad thing when you don’t get to see your family. In my position I need this support. It’s not doing me any good. I just don’t know what’s going to happen.”*

Despite being impacted by Covid-19 some of our clients who had already started to tackle their debts are optimistic that they will be able to stay on track.

A sudden income shock can mean people are unable to continue with existing repayment arrangements and can make them feel a sense that they are going backwards. For many, Covid-19 has resulted in a change in their circumstances – most commonly job loss or a reduction in income that has resulted in people having to re-evaluate their financial situation.

Despite this, some who had already got advice to deal with their debt problems and look at ways to make their money go further, feel they are well equipped to get through the crisis.

Anisha's story

Job lost, but hoping to stay on track

Anisha* was two days into her new job working for a high-street retailer when she was told the store would close and not re-open. As she was so new to her role, she was advised she would not be entitled to any redundancy payment.

It all happened very suddenly. "We had a memo from head office to say as of the end of business today you are closing down. But it said because of my short work there would be no payment. If I'd been there more than a year I'd have been alright, but because I was only there a few days I wasn't entitled to anything."

She had been struggling with credit card debt for a while before this. At the time she was on Universal Credit and had contacted her creditors to say she couldn't afford the repayments but felt she hadn't had a good response. She decided to call National Debtline who advised her to offer token payments.

This time she was surprised at how receptive her creditors were to her offers of repayment. *"Originally I don't think they were that helpful when I said I can't afford that. One said 'well, you've got to pay it'. And then I rang back and said what National Debtline had suggested and they changed their whole attitude. I said 'I've been recommended to offer you a pound' and this time they said 'yeah that's okay'."*

She decided to increase her repayments to £10 a month after she was able to save money by reducing her mobile phone contract. She has been able to maintain this payment despite going back on to Universal Credit following her job loss. When Anisha first rang National Debtline, her adviser also went through Anisha's budget – the first time she had done this and it has had a lasting impact. *"It's something I've carried on with now because I know what I get from Universal Credit every month, and I write it down in my little book and then I list everything I've got to pay like my*

rent, my council tax, electric, gas, things like that. It has become really helpful because I think well, that leaves me that much and this month I can treat myself to a new pair of shoes, which I'm desperate for."

She also started shopping around for a cheaper deal on her gas and electric and got a smart meter. *"I still pay it monthly or weekly or whatever, but it just means that I'm in control of it. And if I see a sudden shoot up I think hang on, what have I left on or what have I changed. I'm not going without lighting and that, I'm just more vigilant about what I'm using."*

Anisha is hoping to be able to see her son soon as he has arrived back in the UK after being away for three years but she is worried about whether that will be possible. *"I'm super excited about seeing him but who knows. Now I'm scared to get too excited just in case."*

For some, Covid-19 has been an opportunity to deal with their debts and re-assess their finances. Whilst the impact of Covid-19 has been felt in households across the UK, people's experiences have varied and some have been able to turn the upheaval into an opportunity for change. Some have channelled the uncertainty over their job security to rethink their careers, whilst others have used the lockdown period to start to tackle their debt problem and improve their financial wellbeing.

At National Debtline we have seen an increased number of clients coming to us with one-off issues during the lockdowns. These issues include disputing an old debt they have found on their credit reference file, or because they want advice on the financial support available to them to help them through a temporary financial problem. For others the period of creditor forbearance has given them the much-needed space to contact us.

Paul's story

A chance for a fresh start

Paul* had been struggling with debt for a while. He had fallen behind with payments on a loan and credit cards. Between moves around rented accommodation, he had hoped the problem would go away but the letters kept following him.

At the time Covid-19 struck Paul was working in a hotel and his basic income was supplemented with commission based on sales. He saw trade slowly dropping off in the lead-up to the first lockdown.

As a result he felt that it would be hard for him to keep a stable job in the hospitality sector so he decided it was time for a change. *"I think it was a wake-up call for me*

then. I mean we didn't get many sales and no customers coming in. So I seized the opportunity for me to have a career change, to really think about my life this year."

Paul now has a temporary job with a major online retailer as a delivery driver and has been solidly busy since he started. He can't see things slowing down as consumer behaviour shifts and the extra income has given him the opportunity to confront his debts. One of his creditors had taken court action and Paul now has a county court judgement (CCJ). He contacted National Debtline after he was notified that enforcement officers would be instructed. As he had been ignoring the debt interest, charges had accrued and he owed a significant amount. *"So by the time I called you the figure was ten thousand and I was thinking oh, that's ridiculous."*

After getting advice from National Debtline Paul contacted his creditors and has agreed affordable repayments. This meant the threat of enforcement action was ceased. *"So I was actually very relieved, you know. After I called you I got some really good advice and know more about debt. I thought I can do it actually rather than just sitting here waiting, you know."* Paul now hopes to be debt-free at the end of next year, and whilst the impact of Covid-19 has been a rollercoaster ride for him, he is reflective of the experience and what is to come. *"During the Coronavirus, I've been really thinking about what I should do in life, you know. Obviously it was quite a turbulent period for me finance-wise but I was glad that I came to an arrangement, and I'm halfway there already. I'm due to pay everything off by this time next year. That's a great relief."*

The experiences of callers to Business Debtline

Self-employed people who are worst-hit by Covid-19 have lost their income overnight and many think there is worse to come. Some feel they have no choice but to give up their business and seek employment.

At Business Debtline we mainly support sole traders – individuals with nano and micro businesses. These are the small businesses that are a part of our everyday lives – the plumber or electrician we call out in an emergency, the taxi driver we book after a night out, and our hairdresser who rents a chair at our local salon or barber. In many cases, national lockdowns and regional-tiered restrictions have drastically impacted their ability to trade.

Many have had to halt trading completely during the lockdowns, which has had a significant knock-on effect on their household finances and further exacerbated their existing debt problems. Others have had to make ends meet with a significant reduction in their income, either because of the loss of trade or the need to drop prices to remain competitive as consumer behaviour changes and market forces shift.

In some cases people are unsure if they will ever be able to recover their business to pre-Covid-19 levels and are seeking employment rather than continuing to live with the current uncertainty.

Ray's story

An overnight loss of trade

Ray* is separated and lives in rented accommodation with his three daughters. He used to work as a paramedic and has been a self-employed first aid trainer, delivering training for schools and companies, since 2009.

During lockdown his work *“literally dried up overnight”* and despite business having started to pick up after the first lockdown restrictions eased, the added costs of PPE and limited class sizes due to social distancing requirements have taken a big chunk out of his profits. Ray contacted Business Debtline because he has arrears on his household bills as well as two credit card debts which he has been using to cover business costs and to stay afloat. He also owes money to HMRC for a period

when he wrongly thought he was classed as an employee. The credit card debts had been passed on to bailiffs who had visited several times leaving him feeling helpless. *“I had a couple of bailiffs come round. I just said ‘take what you want’”. At one point his 15 year old daughter opened the door to a bailiff but since Covid-19 he hasn’t heard anything from them. He is really worried as he thinks they will return soon and it will all start again.*

Ray is desperate to find employment that will fit with caring for his children as he is no longer able to rely on grandparents who are shielding. He has been suffering from increasing anxiety over the future. *“I don’t sleep anymore, I’m lying there thinking about how do I get paid, make money. There have been times when I’m up looking for jobs all night.”*

At the same time he feels the burden of needing to protect his daughters. He doesn’t want them to be aware of the struggles he is facing and he himself feels he has no one to turn to. He is also worried he might lose his children if he can’t be seen to provide for them. He has often gone without food so that his daughters can eat. *“I feed the kids but I don’t really eat; I don’t let them (his daughters) see it. I’ve probably lost about four stone. But feeding the kids is the priority.”*

Ray has been finding juggling the demands from so many different creditors incredibly stressful – *“the whole robbing Peter to pay Paul thing”* – and he has been alternating his priority debt payments (e.g. rent, council tax, energy, water) each month because he can’t afford to pay them all. Since Covid-19 struck he has been feeling increasingly demoralised. He claimed the Self-Employment Income Support Scheme grant which helped in the short-term but he is *“worried sick”* about how he will manage his finances over the next year or two.

Following advice from Business Debtline Ray has been considering bankruptcy as he just feels he is in limbo. Bankruptcy *“would at least be able to give me some peace of mind, and I can start again without spending the whole day worried about people being on my back, so I can focus on building work”*.

Some self-employed people in the hardest-hit sectors are facing the closure of their business, leaving them without income and with a legacy of debt to repay.

Building up a business can be highly rewarding and can bring a sense of achievement and even identity. However, it doesn’t work out for everyone. For some of our clients, operating a failing business can become an overwhelming personal and financial burden.

At Business Debtline we have been supporting self-employed people who were already struggling to keep their business afloat before the pandemic struck but Covid-19 has made their situations worse. On top of the complex emotions of losing their dreams of a successful business, and a complete loss of income, some are also saddled with large amounts of business debt, with a feeling they have nothing to show for all of their personal and financial investment as a result. Many also have growing personal debts.

Tao's story

The burden of business failure

When he contacted Business Debtline, Tao* was running a small bar and restaurant, but Christmas 2019 hadn't been as busy as usual which was compounded by the usual drop off in trade during January and February.

As a result he had fallen behind with a payment on his rent and electricity. *"I was already in financial trouble and I was trying to work out a way to get out of it so I got through winter really. I was very afraid for January and February."* When Covid-19 hit trade diminished and then disappeared completely. He made the difficult decision to temporarily cease trading as a result and had to let all of his staff go.

Despite still having to keep paying some costs including his business lease, it wasn't viable to reopen, even before the second lockdown, as most of his trade occurs after 10pm so with all of his overheads he would be losing more money than he made. He did get a government business grant but that quickly got swallowed up by bills. He has tried to apply for a Bounce Back Loan but his poor credit rating and county court judgement (CCJ) is holding him back as he is unable to get a bank account with any of the lenders.

The bar was Tao's only source of income so since its closure he has been struggling and the business debts have been accumulating. He had a couple of thousand pounds of savings but he has used that up. He is now in receipt of Universal Credit which has been *"a life line"*. But this hasn't been enough for him to get his head above water. *"Pretty much every type of bill that you can owe in a business I owe. So all the suppliers, thousands of pounds on the electricity, the rates, the rent and the phone bill. I've got CCJs in my name now where I was a personal guarantor, and business credit accounts too. I've now also got a CCJ because I couldn't pay bills in May to one of my biggest suppliers, and that's just the beginning. I could end up with three CCJs soon."*

A high court bailiff visited the premises but they went away when they found it closed. Tao is very worried for the future and he's stopped opening the post as *"it's just threats."*

As is so often the case where a business fails, it has an impact on personal finances too and Tao owes money on his rent and council tax. He has tried to find work but the whole hospitality sector has been hit and he is struggling to transfer his skills into other roles.

This has had a big impact on his confidence and how he feels. *"I feel like I'm going down a hole and don't know if I'm going to find my way out of it. But I've just kind of*

gone numb now and just dealing with things as they come. Physically I'm in doubt all the time and just feel flat out of breath."

Tao has been able to get a payment holiday on his rent and is speaking to his other creditors but is unable to make any offers of repayment at the moment. He continues to search for work but Covid-19 has cast a long shadow over his life *"It's been disastrous for me personally and on a business level. Before, you know, generally I've been able to bounce back. This is a double whammy. Covid-19 has totally decimated things."*

Government support, such as the Self-Employment Income Support Scheme, has helped many small businesses but the criteria for accessing them is restrictive.

For those left without any income, Universal Credit has been a lifeline and many report that accessing the package of financial help has been quite straightforward. However, this barely covers living costs and isn't always adequate for them to begin to make a dent in the debt they have built up.

Shefali's story

Grateful for support, but fearful

Shefali* lives on her own following the death of her husband two years ago. She has been operating a transcribing and sub-titling business for 28 years and had always been able to juggle a few clients to ensure a steady income.

Last year she lost her major *"bread and butter"* client after they took their work in-house and she has been struggling to replace the lost income ever since. Before Covid-19 struck she was making good progress and was optimistic that she could keep the business ticking over for the next few years until her retirement.

Covid-19 has caused her trade to slow again as many of her clients have closed their offices and furloughed their staff. She has been able to apply for Universal Credit to help her through which has enabled her to meet most of her household bills along with a small amount of savings. *"I have survived because I had managed to save a little bit of money. Universal Credit has been a great help."* She has also received the first two of the Self Employment Income Support Scheme (SEISS) payments and was surprised by how easy it was to access the support. *"I've been self-employed for a very long time. I applied and everything was completed and okay within five minutes of being online."*

However, because the SEISS was calculated on the two years where her business had struggled, the payments were relatively low. To manage she has had to cut

back on all of her expenditure and had to ask her sons for help. *“It’s very hard to talk to anyone about it but I did eventually reach out to my sons. I thought well, I can go to them and hopefully they’ll be understanding and help me if necessary. So yeah, thank God for them.”*

Shefali’s payments on her credit cards have been suspended for now which she has found a huge help. However, she is unsure of what the future holds and is starting to feel isolated. *“Obviously we’ve been isolated for a very long time now but for a person like me who works from home there is no-one here, it’s very isolating. I’m not even speaking to my clients anymore because there’s no business.”*

Getting help from Business Debtline has been a big turning point for Shefali. *“I think it’s made me a stronger person because I could absorb that pride and just ask for help, there must be somebody who can help. And that’s given me strength. And also it has made me feel that there are people out there just like me who need to feel safe and there are arms around in these organisations, and they’ll wrap you up and take care of things. And that’s very human.”* Despite this, Shefali is still uncertain about what the future holds for her business and therefore her finances. *“I’m at that crossroads because I don’t know what’s ahead in the next couple of months. I think it’s going to be a pretty dire start to the New Year.”*

At the same time, other small business owners have not been eligible for the various support measures that have been introduced.

A significant minority of our clients were unable to access some of the support available to them, and this experience was very frustrating, making them feel worse about their future situation. While services such as Business Debtline can be a lifeline for many clients, the precariousness of many people’s situations at the moment mean growing numbers of clients will need to keep coming back to the service as new challenges arise.

Louise’s story

Falling through the cracks

Louise* and her husband were running a freelance graphic design business based in London before her husband was diagnosed with cancer three years ago and had to undergo extensive treatment.

He is now in remission and last year they started to trade again and things were picking up. Then Covid-19 struck and trade dropped off so it now feels like they are just *“filling the holes in a sinking ship.”* Because they had to stop trading they aren’t eligible for the Self-Employment Income Support Scheme and their situation feels

precarious. They contacted Business Debtline as they had council tax arrears. Now other debts are starting to mount and they are relying on creditor forbearance for both their mortgage and council tax payments but don't know what will happen when this comes to an end.

Louise is also worried about the impact this will have on her husband's health as *"neither of them are strangers to mental health problems."* She feels there has been a lack of help from the government support package which she describes as *"muddling"* for people like her and her husband and she feels they have been forgotten.

Marna's story

Struggling to see a way forward

Marna* runs a small café which has been closed since lockdown. She was already in debt at the time Covid-19 hit her business and losing her income overnight has made things much worse. She has tried re-opening when the first lockdown was lifted but trade wasn't enough to cover overheads.

As she pays business rates she has received a grant through her local authority and also received the Self-Employment Income Support Scheme grants. However, Marna also applied for a Bounce Back Loan but has been unsuccessful despite approaching numerous lenders on the government approved list. The majority told her they were not accepting new customers, whilst others declined her application due to her credit rating. As she has a CCJ, they would not give her the business bank account they required her to have in order to receive the loan payment.

This has left her feeling very frustrated. *"The point of the Bounce Back Loan scheme is supposed to be given to anyone who is eligible, which I am, through the criteria the government sets out. So it's the platform that you need to be approved for in order to get the loan that is the problem. The banks are running credit checks for you to get one of their accounts so you have to have a business relationship with them, you know, mainly in the form of having a business account with them."*

Marna feels that the help available isn't going to support her or help her save her business. She also can't see a way out of her debt situation. The money she has coming in now isn't enough to cover her basic outgoings so she is also accruing new debt. *"They've all got brick walls at the end of them in terms of what is realistically going to happen and what my circumstances are."*

Whilst the majority of Business Debtline clients have been adversely affected, some have been able to adapt their business model and reduce this impact.

Despite the bleak picture for many, some Business Debtline clients have been able to manage slightly better over time due to their ability to find work 'on the side' and confidence in the adaptability of their business and skills. These clients often just need some guidance from Business Debtline to get back on track. Others have more financial resilience to weather the storm – often because the industry they trade in means they have been able to adapt more easily to restrictions, with less of an income hit.

Sarah's story

Adapting to Covid challenges

Before Covid-19 struck Sarah* had been operating a successful cleaning business since 1997 and employed two people. However, she had got herself into some difficulty with personal debts, in particular credit cards, and came to Business Debtline for some advice on how to deal with these.

She was only making minimum payments so the debts kept accruing. She had also started to fall behind with her gas and electricity. Business Debtline told her about her energy supplier's hardship fund and she was able to make a claim. They also did a budget with her and referred her for a debt management plan.

Sarah's cleaning business relied heavily on school and office contracts which dried up during the first lockdown. Initially she was concerned about how she would cope *"Only at the beginning I was very sad. But I'm fine now. But at the beginning it was quite worrying. I did think what the hell am I going to do? Literally your business has gone, one day you're working, the next day you're not."*

Sarah received the Self-Employment Income Support Scheme payments but she also found work as a carer which gave her the flexibility to pick her cleaning business up again once lockdown lifted. She has now resumed trading whilst supplementing some of her lost income with the part-time caring work. *"If I'd waited around for the business to pick up I think I would have been in a much worse situation."*

Sarah has been able to maintain the payments on her debt management plan so she is continuing to pay her debts off. *"I've just been paying the monthly amount, they just deal with everything for me and I'm just paying off the debts."* She now feels more resilient against future knocks. *"For the future, anything could happen, I've always got back-up in work, and people always need carers. Even though I get paid more on my own business side, I'm not as scared as I would have been if I didn't have that."*

Methodology

The real-life stories in this report are taken from the transcripts of interviews with people who called National and Business Debtline between 12th and 19th October 2020. *To protect anonymity, names have been changed and some identifying factors have been altered.

For more Money Advice Trust insight and research visit www.moneyadvicetrust.org

Money Advice Trust

The Money Advice Trust is a charity formed in 1991 to help people across the UK tackle their debts and manage their money with confidence.

For more information about this report:

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