



Making a
difference in
tough times

Community Money Advice Impact Report 2023

cma

Freedom from debt
Hope for the future



Introduction from Heather Keates OBE

I founded Community Money Advice 27 years ago. Starting with one centre in West Sussex, CMA has grown to a national network of over 160 centres, and as of 2023, is present in every nation of the UK. That growth has been driven by demand for debt advice and the desire of churches and community groups to respond.

The help CMA centres provide within local communities is needed more than ever. Debt used to be primarily a problem for people who had overspent on consumer credit, or suffered an unexpected life-shock. Now debt is a problem for one in eight homes in the UK; as people contend with a cost-of-living crisis that is stretching them to breaking point.

But there is hope; our advisers and money mentors are available to offer face-to-face support, for as long as it is needed.

This report outlines our vital work during 2023, highlighting key statistics and the stories behind them. Throughout, we share some of the stories behind these statistics. These stories powerfully illustrate the difference CMA centres are making to the lives of individuals, families and local communities as we help them to find freedom from debt and hope for the future.

I started CMA because I could not stand idly by whilst people were suffering the debilitating consequences of problem debt. That's exactly why so many people run CMA centres in their own neighbourhoods. I hope as you read this report you will encounter that same passion and, at the end of the report, find a way that you can support our life changing work.

A handwritten signature in white ink that reads "H Keates".

Heather Keates OBE, Founder and CEO, Community Money Advice

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What is Community Money Advice?

Community Money Advice (CMA) is a nationwide charity working to help people break free from debt for good.

How?

We support, train and resource churches and community groups to set up and run centres, offering access to life changing debt advice and support.

CMA's accredited debt advice enables clients to make informed decisions that suit their circumstances, so they can deal with their debt and move forward with their lives.

CMA's network of centres comprises two different models:

CMA Debt Advice: staffed by advisers who give face-to-face accredited debt advice.

CMA Connect: staffed by money mentors who work face-to-face with clients, accredited debt advice is provided by CMA's central Hub Team.

All CMA centres deal with creditors on behalf of clients, removing the immediate pressure and burden of demands for payment. Advisers and money mentors help clients develop budgeting skills and provide ongoing tailored support, some centres offer benefits advice and can champion clients through difficulties such as PIP appeals. Support is there for as long as required and ensures clients can manage their money successfully going forward.

Why?

CMA's centres are united by a passion to help people overcome their money problems. Tens of thousands of people now have hope for the future because of the invaluable support provided by CMA centres.

CMA is motivated by Christian values, particularly God's love for those in need and encouragement to express that love in practical ways. As the Bible urges us:

"let's not just talk about love; let's practice real love. This is the only way we'll know we're living truly, living in God's reality."¹

Where?

CMA centres support people throughout the UK in urban and rural settings; some are large operations with several satellites, others are staffed by one or two volunteers. Centres are run by churches, faith groups, in partnership with foodbanks and other local charities and community groups.

Taff-Ely CMA opened in the village of Pontyclun in 2023 to assist people living in the Rhondda Cynon Taff area. Here the centre shares the story of one of the clients they have helped in their first few months of operating.

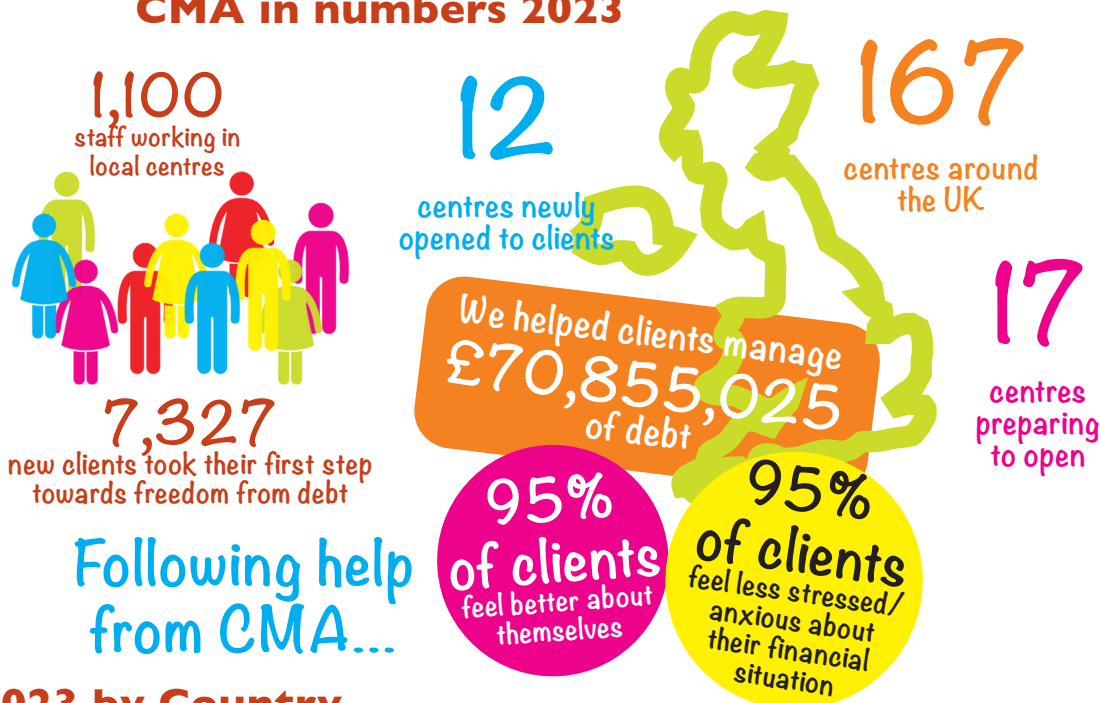
¹ The Message (MSG), 2018, Eugene H. Peterson.

Peter's Story

Peter is a single, middle-aged man. Within twelve months he lost his brother and mum. These bereavements triggered mental health issues, which led to him losing control of his spending. Peter was in such a state that he did not open any of his post, including from creditors. He brought in numerous unopened letters and we went through them together. After careful reading and an analysis of his income it became clear Peter could pay his debts quite easily. Throughout the process he cut down his smoking and drinking and said that he felt like a weight had been lifted from him; he felt better about himself.

Adviser, Taff-Ely CMA Centre, Pontyclun

CMA in numbers 2023



CMA 2023 by Country

England	Wales	Scotland	Northern Ireland
12 new centres opened to clients	2 new centres opened to clients	2 new centres opened to clients	In September 2023 CMA launched our first centre in Northern Ireland – Lisburn CMA Connect. Run by Lisburn City Community Trust the staff undertook in-person CMA Money Mentor training and have already helped numerous people manage their debts and create budgets. CMA is currently applying to be a Competent Authority for DROs in Northern Ireland, to facilitate the work of Lisburn's centre and lead the way for further centres to open in the region.
15 centres preparing to open in 2024	3 centres preparing to open in 2024 ²	Compared to 2022, 96% increase in new clients	
Compared to 2022, 20% increase in new clients	Compared to 2022, 18% increase in new clients	65% increase in overall debt managed	
10% increase in overall debt managed	114% increase in overall debt managed ³	£7,596 average debt per client, an increase of £616	
£9,866 average debt per client, average decrease of £1,000	£12,396 average debt per client, an average increase of £2,614		

"It has been brilliant working alongside Katrina and the team. Katrina's support has been incredible and I am a new person after working with her."

James, Client of Lisburn CMA Connect

² Due to a high proportion of Welsh centres being in their preparation phase or recently opened to clients, statistics from these centres are not yet represented in CMA's reporting.

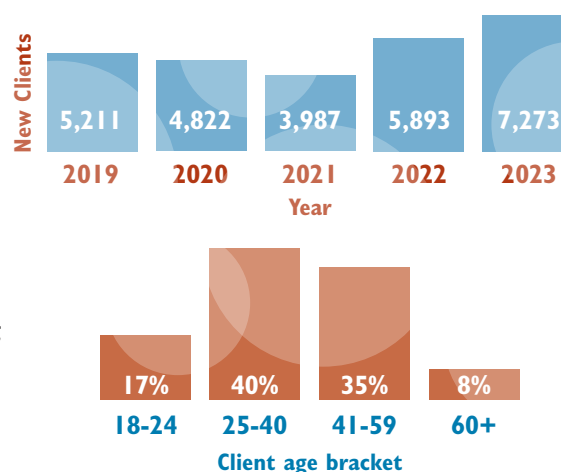
³ 2022 figure £2,142,263.00; 2023 figure £4,586,386.

Our Clients

In 2023 our centres saw 23% more new clients than in 2022. As the graph illustrates, there has been a huge increase in client numbers since 2021, after they experienced a dip due to the covid-19 pandemic.

Our clients are ordinary people, facing extraordinarily tough times; some are in receipt of benefits that are simply not enough to meet their needs, some are in poorly paid work or have zero

hours contracts. Clients are contending with huge inflation on cheaper foods, soaring rents and mortgages and record high prices for gas and electricity.⁴



Our Clients in 2023

97% made a single application

Almost one in four have children

Most clients (44%) choose a Debt Relief Order as their debt solution

Like millions of others across the UK⁵, a significant proportion of CMA's clients have insufficient income and building arrears. Our advisers and money mentors work with clients to reduce their outgoings and maximise their income, but many clients come to us already spending the bare minimum or less; some endangering their health or wellbeing through cutting back on essentials such as heat and food to avoid going further into the red.

Geoffrey's Story

I had nothing to live on after paying the interest on my debts and I ended up having to use the food bank to survive. I kept borrowing more money just to be able to live. I had companies calling me up and harassing me, even on Christmas day.

One company came to my home at 7am, banging on my door – I hid behind my sofa. I was struggling really badly.

Physically and mentally, I couldn't cope. It all got too much, and I attempted to take my own life. My doctor was the one who raised the alarm and the police found me. I was severely underweight as I couldn't afford food and suffering with a number of health issues as I am disabled.

It was after this that my doctor referred me to Crosslight. The following day I was able to talk to Crosslight and be paired with my debt adviser. He told me that it could be sorted and to try not to worry, but you do worry. For the first month of working with Crosslight, my debt adviser spoke with me daily via phone or email. He got my debts put on hold, and once things had calmed down slightly, my debt adviser gave me some options, including a Debt Relief Order.

I am now in control of my finances because of the DRO. I also went on one of Crosslight's Money Courses. I learnt so much. I was able to speak and open up about my situation to the people on the course, which was great. I learnt how to balance my finances, put my money into different pots and how to spend my money. Because of the advice, I was able to reduce my household bills dramatically. And I am now able to save something each month, which I've never been able to do before.

I honestly would not be here today if it wasn't for everyone who helped me. I now look forward to the next day, the next month. Crosslight really helped me to achieve all of this. I have never had that sort of help before in my life and I cannot thank them enough.

Geoffrey, client of Crosslight Advice, London

⁴ CMA response to MaPS call for evidence on debt advice clients with negative budgets, 2022.

⁵ <https://www.citizensadvice.org.uk/policy/publications/the-national-red-index-how-to-turn-the-tide-on-falling-living-standards/#h-1-key-facts-and-findings>.

A growing and significant proportion of our clients have a ‘negative budget’ – their essential spending is not covered by their income. Across our network 67% of advisers reported seeing negative budgets ‘very often’, and 24% saw them ‘often’.⁶

More and more of our clients hold ‘priority’ debts⁷, such as arrears for Council Tax, rent, utilities or benefit overpayments, and these debts are making up a higher proportion of clients’ overall debts than previously. Some clients are presenting with extremely complicated cases, severe distress and mental health issues due to demands for payment and the potentially serious consequences of not paying these debts. Our average client is not lazy or waiting for handouts, they are doing everything they can to stay afloat.

CMA’s face-to-face model enables advisers and money mentors to support them out of debt and into a place of stability. Local centre staff take time to listen to clients, to go through all their spending and income in detail and to explore every avenue for bringing positive change: such as checking benefits entitlement and assisting with applications, appealing incorrect PIP decisions as well as helping those who are able to find work.⁸

We are also there for clients who prefer to communicate via other channels or who cannot meet face to face. We have increased access to our services through our chatbot – via the chatbot, people wishing to pursue debt advice can be connected with a centre local to them or with the remote CMA Hub Team to receive advice over the phone.

Quality

We deliver excellent quality advice and support to our clients at no cost to them, we train, equip and support centres so they can do their utmost to help people get out and stay out of debt.

After receiving help our clients said:



CMA Debt Advice Centres (DAC) and CMA’s Hub Team are regulated by the Financial Conduct Authority (FCA). In 2023 the FCA’s world-leading Consumer Duty came into force, requiring financial service firms to implement higher standards of protection for customers.

As a network that exists to serve clients’ interests, our centres have always sought to provide excellent support

Our DACs and Hub team have rigorously reviewed practices, policies and put in place measures to comply with new reporting requirements. Complying with the Consumer Duty will enhance the feedback we gather from clients, ensure we can better monitor our treatment of clients with vulnerabilities and help us to maintain our existing excellent standards of service.

⁶ CMA response to MaPS call for evidence on debt advice clients with negative budgets, 2022.

⁷ Ibid.

⁸ Ibid.

⁹ Responses to CMA Client Questionnaire.

One of our clients, Maggie, shares how our high-quality face-to-face advice and client care have been vital for her during a difficult time.



Maggie's Story

I'm Maggie, now aged 66. I could feel the love when I walked into Riverside Money Advice (RMA) in October. No one looked down on me. The team made me feel valued straight away and I could feel my faith in mankind being restored. I've had my fingers burnt before, as even with family I've been too trusting.

My own son desperately wanted a car a few years back and I agreed to guarantee the loan. He had been quite reliable and trustworthy, and I felt he would honour his agreement to me to pay back the loan on a monthly basis. Only a few months later he stopped paying me back, and to make matters worse he had a £370 fine for unpaid parking tickets which he tried to dump on me. The bailiffs came and, as I was too slow to realise what was happening, they gained access to my flat – despite me being a vulnerable adult with a disability. **I was too fearful to sleep at night in case they came back. It made me feel I was a prisoner in my own home, never feeling safe to open a door or window.**

Fortunately, the car has now been repossessed, reducing my debt by £20,000. RMA have supported me through the process of gaining a Debt Relief Order to cover the remaining amounts owed from that debt and others that had built up. It means that it will be more difficult to get future credit, but that is not a bad thing as I learn to live within my means. RMA worked through a budget with me, showed me how to organise my spending and put money aside for future bills. They helped me reduce my water bills and phone contract costs. They checked what benefits should be in place and spotted that I should have been receiving Pension Credits, which we applied for.

I've stopped using credit now and am able to save. I feel it is a miracle I have a savings account now and am watching my savings grow. I know that there are other services to help people with their finances, but I needed face-to-face help and someone to give me the time to understand the difficulties I was facing and the patience to show me how to handle money differently.

Maggie, client of Riverside Money Advice, Birmingham

Training

Training is at the heart of CMA's work.

Our training team supports those new to debt advice to become effective agents of change in their communities. CMA training courses and materials provide expertise and tools to unlock problem debt and support clients to budget and deal with underlying issues. Sessions are delivered online and in person offering wide accessibility.

Our training is recognised as high quality across the debt advice and support services sectors; a growing number of other advice providers are choosing CMA to train their staff and volunteers.

CMA centres receive double benefit from our training offer, by being equipped to work with clients and through reinvestment of training income into the support and resourcing of our network.

CMA trains:

- **Debt Advisers:** Generalist Debt Advice and Casework/Specialist Advice training for debt advisers based in England and Wales. (MaPS Accredited)
- **Money Mentors:** from CMA Connect Centres around the UK. Trainees learn how to undertake the procedures surrounding debt advice, including information gathering, budgeting support and making referrals to CMA's Hub for debt advice.
- **Budget Coaches:** trainees gain skills to support clients struggling to make ends meet. The training is ideal for organisations providing person-based services throughout the UK.



331 training places attended by trainees from over 65 different external advice providers,¹¹

an 81% increase from 2022.

CMA Trainers received an average feedback **rating of 4.8/5** for their delivery.

Trainees gave an overall average feedback **rating of 4.7/5** for training days.

Our trainers are knowledgeable and approachable, they draw on their own extensive experience as debt advisers and, for some, their lived experience of debt.¹² CMA's training starts from the basis of seeing the client as a whole person and gives trainees an understanding of vulnerability and the interplay between debt and mental health.

Trainers contextualise content within the current cost of living crisis and what they are seeing on the ground. One trainee shared a key realisation:

“many clients’ debt problems are much more day to day and fundamental than caused by use of credit”¹³

Trainees then learn the practical skills required to take clients through information gathering, debt advice and budgeting, as well as digging into the tools available to them and issues such as emergency situations, bailiffs and illegal lending. Training sessions are accompanied by high quality, useful written resources and trainees can share knowledge and experience with one another.¹⁴

“the really comprehensive process was made really straightforward”¹⁵

¹¹ England based providers.

¹² Feedback from CMA Trainees, 2023.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

Carolyn, Manager of CMA Connect Carmarthen illustrates how knowledge gained through CMA's training is applied to make a huge practical difference to clients through Amy's story.

Amy's Story

Amy lives with her 17-year-old son, they moved into the area after the death of her partner at the beginning of the year. She rents private accommodation and is unable to work due to ill health and claims basic universal credit. Amy had already started to apply for PIP and was awaiting the decision (a process which takes up to 12 weeks). Being new to the area Amy was without support as she struggled to pay the bills and began to experience debt. Overwhelmed, she visited Carmarthen food bank, who referred her to us.

We met with Amy every week for approximately a month and gave her general support and connected her with debt advice via the Hub. Our work included contacting creditors, arranging a moratorium period against further action and developing a budget for future planning. We undertook a benefit check identifying bereavement support, as well as providing ongoing food parcels while things were processed. We also made a discretionary assistance fund application for a cooker and fridge and worked with our sister project to ensure Amy and her son also had wardrobes for her unfurnished home.

Amy and her son are now back on track. Amy's income has increased; she can afford essentials and she is on an affordable debt management plan. At the end of our last appointment, Amy broke down in tears and said **'you have no idea the relief I feel knowing that everything looks like it will be ok – thank you.'**

Carolyn, Manager, CMA Connect Carmarthen

Campaigns & Partnerships

To ensure as many people as possible receive help with their debts and underlying circumstances we work with other bodies. Many of our centres collaborate with and run sessions within their local foodbank and a number of our centres are run in partnership with the Salvation Army. Our centres make and receive referrals from other agencies to ensure clients get all the support they need. Nationally, CMA are part of umbrella body Advice UK and work with organisations such as CAP, Citizens Advice and Stepchange to strengthen the debt advice sector.

We also recognise that many clients' struggles are caused or worsened by bigger, structural issues. To this end we invest time and energy to partner with other charities and organisations working to bring wider change.



Talia's Story

A few years ago, I got into difficulty with my benefits. At the time I was in an abusive relationship so myself and my daughter left our home and moved to a different area. But this meant I was on my own with no help and it was incredibly difficult. I was working part time and was struggling to keep up with all my different payments and bills. I had severe vertigo and migraines, anxiety, depression and PTSD. **My debts were piling up and I was really struggling to pay my bills. I didn't know how to organise things and my health went downhill.**

I get emotional when I talk about these things as it weighed so heavily on me. I knew I needed to fix it, but I didn't know how. I was struggling to pay my rent and my housing association suggested I speak with Crosslight.

Once I spoke with my debt adviser, things started to make sense – I had been so lost for so many years. My debt adviser helped me figure out what to do. I was embarrassed to have such a huge amount of debt and was always so worried about people judging me. But my debt adviser never ever judged me, and I knew that she really cared about me and how I was feeling during the whole process.

I am so appreciative of all the support she has given me. I am still on my journey with Crosslight but **I'm going to keep going as I have come so far, and I won't give up now.**

Talia, client of Crosslight Advice, London

Stop the Shame

Like Talia, many clients struggle with negative perceptions of debt, which only add to their troubles. Together with popular self-help money website



MoneyMagpie, CMA has launched **Stop the Shame** to help tackle the stigma surrounding debt and financial problems. The campaign aims to raise awareness of just how common debt and debt problems are, to normalise conversations about money and to encourage people who are struggling to seek help early. Both CMA and MoneyMagpie are promoting the campaign on social media platforms. Founder and director of MoneyMagpie, Jasmine Birtles, continues to challenge the taboo around money issues through her regular media appearances.

Guarantee Our Essentials

CMA is also an official supporter of **Guarantee Our Essentials**, a coalition of organisations, led by the Joseph Rowntree Foundation and Trussell Trust, calling on the UK government to reform Universal Credit to ensure that the basic level of UC is sufficient to meet recipients' essential needs and that any deductions do not take payments below that level.

Consultations

CMA regularly participates in sector and regulatory consultations, in 2023 these included Ministry of Justice consultations regarding bailiffs, focussing on the taking control of goods regulations, enforcement agent fees and the inclusion of claimant data on the Register of Judgements.

This input directly influences national bodies and grows knowledge across the sector as well as giving our clients and centres a voice in important policy conversations.

Funding

CMA's central team of 30 staff (FTE 15) and six trusted consultants works effectively and efficiently to uphold and sustain our network of centres. The team provides everything from booklets, policy templates, regionally based contact & support visits to training and a specialist support phoneline as well as an annual conference.

We fund our work through a mix of grants, centre fees and income generated by CMA Training and the CMA Hub remote debt advice team. Every penny we spend helps to power our network. In 2023 we spent significant resources on overhauling our database and casework software, Catalyst. The new Catalyst will be ready to launch in 2024. This investment will facilitate greater ease and efficiency for our advisors and money mentors for years to come and will further enhance our reporting; improving overall understanding of our clients.

Our ability to keep our costs low means we provide centres with incredible value for money, enabling all kinds of groups, big and small, to provide debt advice where they are and to use their own resources as effectively as possible.

Below is a breakdown of our annual income and expenditure. ¹⁶

Income

MaPS (DRO) ¹⁷	£314,000
Centre Renewal Fee	£150,045
Training	£84,670
Grants	£59,350
Hub	£53,975
Insolvency Service	£13,800
Regular Gifts ¹⁸	£13,170
Other General Gifts	£9,587
Conference	£7,450
New Centre Affiliate Fee	£8,000
Other Income	£5,839

Total Income: £719,886

Expenditure

Salaries	£519,480
IT Costs & Catalyst	£127,602
Charitable Giving	£32,937
Conference	£28,293
Other Staff Expenses	£26,742
Head Office Costs	£24,527
Training Tutor Fees	£17,067
Client Support Costs	£15,940
PR & Social Media	£6,785
Accountancy	£6,480
Design & Print Contractor	£5,860
Other Expenses	£4,672
Travel	£3,702
Adviceline Phone	£2,110
Advice UK Membership	£1,680
Fundraising & Marketing	£1,432

Total Expenditure: £825,309



¹⁶ Figures are for 2022/2023 CMA financial year; the latest for which complete figures are available. CMA's financial year runs from June–May.

¹⁷ Limited-term funding from Money and Pensions Service for processing of DROs. Due to end April 2024.

¹⁸ Gift-Aidable.

Support the work of CMA

Every day, our centres help people like Lydia

Lydia's Story

One of our recent clients was Lydia. When visiting the foodbank, Lydia mentioned she was in debt, but felt too embarrassed to discuss it further. The foodbank staff gave her our leaflet and she soon got in touch.

Lydia arrived clutching a bundle of papers so tightly that her knuckles were white.

We spent time going through all of her paperwork and inputting her information into our system. Lydia asked what would happen next. I told her that all the creditors would have questions, but now they would ask them of me rather than her. 'How long will it take?' she said. Within a few minutes we printed out letters to the creditors; put them together with the signed authority which she had given us to act on her behalf and posted them.

As soon as Lydia had put them in the post box she jumped for joy and skipped home.

She was a different woman to the one who had come to see me. She was debt free.

Martin, Centre Manager at Freedom CMA Connect Centre, Edinburgh

Donate or Raise Funds: Visit <https://www.communitymoneyadvice.com/resources/support-cma> to make a one off or regular donation and discover other ways to give to CMA.

Set up a CMA Centre: CMA provides advice support, training and guidance to take you through the setup process and beyond. Email enquiries@communitymoneyadvice.com to request a CMA enquirer's pack or register for a free webinar to find out more.

Volunteer at your local CMA centre: help your local community by training as a debt adviser or money mentor or share your time and skills through an administrative or management role. Visit <https://www.communitymoneyadvice.com/freedom-from-debt/get-help> to find a CMA centre near you.

Become a budget coach and run local learn to budget sessions. Visit <https://www.communitymoneyadvice.com/set-up-a-service/budget-coaching-and-volunteering>.

Pray Receive regular updates with requests for prayer from CMA centres and staff team. Email: prayer@communitymoneyadvice.com

Corporate/Charities:

Donate: Consider supporting your local CMA centre or CMA nationally. <https://www.communitymoneyadvice.com/resources/support-cma>

Work with us: expand your support to service users to incorporate debt advice; CMA can train existing support workers as money mentors and provide regulated debt advice from our Hub. Contact enquiries@communitymoneyadvice.com

Train with us: (England and Wales) send your debt advisers and support staff on our high quality, MaPS accredited training. In person training can be arranged for groups. Budget coaching training available for organisations wanting to offer this to service users.



In memory of Chris Marriott, a much-missed member of the CMA staff team, whose care, dedication, hard work and skill will continue to benefit CMA's centres and clients for years to come.

A final comment from Heather Keates

“Thank you so much for reading this report and supporting our work in these challenging times, we really couldn't do this without you.”

Heather Keates, Founder & CEO, Community Money Advice.

Names of clients have been changed to protect privacy.