

## Annex

### QUESTIONS

1. Do you agree that the Standard Financial Statement (SFS) should be adopted in Scotland as the new Common Financial Tool?

Yes  No  Don't know

If you answered 'No' to Q1 - please go to Q3

2. If introduced, should the SFS be used in the review of existing contributions which were not originally determined using the SFS?

Yes  No

If you answered 'No' to Q2, what would be the appropriate method for reviewing the contribution amount?

Please now go to Q5

3. For what reason(s) do you believe the SFS is not the appropriate tool for all Scottish statutory debt management and debt relief solutions?

Please provide information and any evidence that supports your reason(s).

Answer:

The level of breaches over the trigger figures using the SFS increases to one in 4, rather than one in 9 under the CFS. The trigger figures for the SFS are based on the Living Costs and Food Survey produced for the Office for National Statistics. It looks at households with the lowest 20% of income –most of which will be in receipt of some kind of benefit. The average income of the cases examined was £1183pm, hence the average figure for spending would be much less than the average household. This does not mean that have a reasonable standard of living, it is simply that they can't spend what they don't have. A totally different thing from a socially acceptable living standard.

Almost all of the case studies undertaken have shown the SFS to be detrimental to most clients, even the AiB's own statistics show this. If this is the case when we are looking at household with an average income of £1183pm, what will the breaches be like for people with a higher income, and I don't mean excessive incomes, just a normal average.

There are many households that are barely making ends meet, and every penny is a prisoner. The news is constantly talking about JAMS (just about managing) and yet this is how people will be expected to live if the SFS is used. Do we want a society

where people are being forced to live at poverty level? That is surely not in line with the Scottish Government's policy or guidance on helping people who are in poverty, or struggling with debt. The fundamental principles of the new social security system are said to be dignity and respect. Do people who are experiencing financial hardship not deserve the same dignity and respect? Many hard working people still receive support from foodbanks, I don't think they would regard that as very dignified.

I am aware the government's policy is that people who can afford to pay something towards their debts should pay, and I totally agree with that. However, we have to be very careful that the system is not too punitive. If the figures are set too low, people just get into more debt. It has already been identified that the amount of people who go through statutory debt solutions are getting into debt again with council tax. Why can't they afford to maintain their existing bills? Are the trigger figures already too tight, never mind reducing them further.

I do not agree with the restructure of spending in the SFS, i.e travel and health being moved into essential spending. Do you really think it is likely that people will keep months of bus tickets or petrol receipts? Do you really need to know how much a person spends on sanitary products, condoms, incontinence pads etc. ? How embarrassing and humiliating for them. Would you expect someone to ask you that kind of question? Unless it is a particularly high amount, people should not have to evidence this.

The CFT does not have to be something that is the same all over the UK. We are not the same all over the UK; we have different governments , different legal systems & debt solutions as well as different policies on many things. Why do we have to change what is already working? The existing CFS may not be perfect, but we can adapt what we have to suit our needs in Scotland.

**4. What do you consider an appropriate method for determining a debtor's contribution for a Scottish statutory debt management and debt relief solution?**

**Please provide information and any evidence that supports this and detail who you consider should manage and fund this process.**

Answer: Having some form of CFT for guidance is a great thing, but it should be just that –guidance. Although it is said this is the case, too often are we told we cannot go over the figures –even with a good reason.

There are various other options to the SFS:

- The CFS could continue, and although the Money Advice Trust will not always update the figures, but this is something that could easily be taken over by Money Advice Scotland

- The Minimum Income Standard, produced by the Joseph Rowntree Foundation could be used - this was recently supported by a Supreme Court decision as a reasonable standard of living . (The SFS is below their figures)

**5. If the SFS is to be introduced from 1 April 2018, will you be able to make any required changes to your IT and other operating systems, in time to use the SFS from this date?**

Yes  No

**If you answered 'No' to Q5, how long after 1 April 2018 do you believe you will be ready to use the SFS?**

Up to 3 months  3 to 6 months  a longer period (Please specify) \_\_\_\_\_

## RESPONDENT INFORMATION FORM

Please note that this form must be returned with your response to ensure that we handle your response appropriately.

### 1. Name/Organisation

Organisation Name

Title Mr  Ms  Mrs  Miss  Dr  *Please tick as appropriate*

Surname

Forename

### 2. Postal Address

<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
Postcode <input type="text"/>	Phone <input type="text"/>

### 3. Sector

*Please tick as appropriate*

Advice Sector

Creditor

Local Authority

Solicitors/Advocates

Insolvency Practitioners

Debtor

Sheriff Officer & Messenger at Arms

Judiciary

Other  If other please specify \_\_\_\_\_

#### 4. Permissions - I am responding as...

Individual

Group/Organisation

Please tick as appropriate

- (a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish
- (b) Where confidentiality is not requested, we will make your responses available to the public on the following basis  
**Please tick ONE of the following boxes**
- Yes, make my response, name and address all available
- or
- Yes, make my response available, but not my name and address
- or
- Yes, make my response and name available, but not my address

- (c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library  
Are you content for your **response** to be made available?

Please tick as appropriate

Yes  No

- (d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate

Yes   No

Please return your response to [OPC@aib.gsi.gov.uk](mailto:OPC@aib.gsi.gov.uk) or to: Graeme Perry, AiB, 1 Pennyburn Road, Kilwinning, Ayrshire, KA13 6SA by 27 October 2017.