



# ***Inquiry on poverty and stigma***

***CAP's official response to the Cross Party Group on  
Poverty's consultation***

March 2022

**always hope.**

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## Summary

### Key points:

- Poverty-related stigma is prevalent for people living on a low income in Scotland. Many are being pushed into problem debt due to insufficient income. The stigma and shame surrounding problem debt is holding people back from seeking debt help, often waiting until they hit crisis point.
- Problem debt has a particular stigma and shame attached to it that leaves people feeling trapped, isolated, unable to sleep at night and considering suicide. Intersecting stigmas around poverty, debt and mental-ill health combine to make life overwhelming and intolerable. This leads to shame and embarrassment acting as a barrier to people accessing essential support for their finances or mental ill-health.
- Poverty-related stigma disproportionately impacts those from single-parent households, disabled people, Black and minority ethnic people and those living in rural communities.
- The root of poverty-related stigma is based on a complexity of factors including harmful narratives reinforced by the media, public figures and people in society. This is further compounded by negative interactions with people in positions of power leaving people feeling powerless and alone.
- It is essential that people are treated with dignity, fairness and respect at all levels and in all interactions.
- People with lived experience of poverty are essential in the co-design, creation and delivery of products and services.
- The media have a responsibility to protect people that share their story from negative and harmful comments, particularly on social media. It is imperative that people are put ahead of engagement rates.
- An end to poverty in Scotland is possible, this is the hope that we need to hold on to and use to change the narrative surrounding poverty in Scotland.

## Questions

### What is the scale and extent of poverty-related stigma in Scotland?

At Christians Against Poverty (CAP), we predominantly support those on the lowest incomes experiencing problem debt, via a network of 26 Debt Centres based in local communities across Scotland. In 2021, 78% of new clients in Scotland received some form of social security and nearly half (47%) received their income solely from social security. More than one in three (34%) also have a deduction from their benefits and 40% of CAP Scotland clients are in council tax arrears. This compares to 29% of CAP clients in England and just 7% in Northern Ireland with rates arrears.

The main reason given for experiencing problem debt is low income as people are often forced to borrow to buy essentials. Without help, our clients in Scotland would need an average of 43 years to repay the debt they owe, longer than anywhere else in the UK. Over the last five years, the primary reasons for debt have not changed significantly. Low income has consistently been cited as the most common primary reason for debt; however, 'mental ill-health' has grown in prevalence by seven percentage points from 11% in 2015, to 18% in 2020, making it the second most common primary reason. **This creates a harmful double stigma as the stigma surrounding poverty is compounded by the stigma surrounding mental ill-health.**

However, half of the clients we support at CAP have waited for at least a year before seeking debt help because of shame and embarrassment. The narrative that people in debt are 'bad with money', 'can't budget', overspend and rack up credit cards on luxury or unnecessary items is not only inaccurate, it is damaging. It causes many of our clients to feel embarrassed or the need to hide their debt, therefore delaying access to help and often a worsening of situation. .

CAP client Dawn told us '**I was embarrassed and ashamed of how deep I'd got into debt. When I got over the embarrassment and came to terms with the fact there are thousands of people in this situation I thought 'don't hide it'. I had hidden it for so long. It got to the stage that when I was driving home from work one day and my children and ex-husband were at home, I thought for one split second about driving the car off a hill instead of taking the sharp bend, but that would not have solved anything. With the benefit of hindsight that would have left my family with lots to deal with.'**

Unfortunately, Dawn's story is all too familiar for many of our clients as they struggle with a deep sense of shame that holds them back from asking for help or sharing their situation with those closest to them.

### What are the key impacts of poverty-related stigma on you and/or the people that your organisation works with?

While poverty is forcing people into problem debt, stigma is keeping them trapped there. Among the top reasons for waiting to get debt help, people told us they felt

embarrassed, ashamed, afraid and guilty. These feelings are perpetuated by both external pressures around the perception of debt and poverty combined with internalised stigma. Many of our clients are afraid of what people will think of them alongside feeling guilt and shame for not being able to pay for essential items. 45% of people also did not know where to get help. The stigma surrounding problem debt means that people do not talk about it and therefore, do not know where to access debt help. It can be hard to know who to trust when looking for help, either from family and friends or through professional debt help.

Problem debt has a particular shame and stigma attached to it that leaves people feeling trapped, unable to sleep at night and considering suicide. **Tragically, 28% of CAP clients across the UK said they had considered or attempted suicide as a way out of debt, they felt there was no way out other than to take their own life.** Many of the phone calls to CAP's New Enquiries team are made at a final point of desperation, as the debt situation hits a crisis point.

Ron from Irvine told us he was just days away from suicide when he reached out to CAP for help: '**you don't want to talk to anybody. You don't want to open the door. You feel embarrassed. You want to close out everyone. I thought about doing away with myself as I couldn't see light at the end of the tunnel. I thought there was no way forward.**'

There is an added stigma around bankruptcy which can hold people back from accessing this essential support. Many of our clients are afraid to go bankrupt as they worry about the impact it will have on their credit file and the shame that is associated with this. The damaging narrative around bankruptcy as 'a failure' needs to shift to being seen as a fresh start for people. There can also be an additional barrier for domestic abuse survivors as they face the fear of their details going on public record unless they have verification of the abuse from a public body such as the Police or Women's Aid. However, many women will not be able to provide such verification yet their circumstances are still as real and traumatic.

Our Debt Coaches based in local communities across Scotland regularly support people who are feeling a sense of shame which prevents or delays them from seeking help. Many of the people we support have not told loved ones about their situation which leads to social isolation and no access to support with stress and mental ill-health. This leaves people feeling like they are small and powerless when dealing with creditors or legal matters relating to debt which results in poor outcomes for individuals.

## How does poverty-related stigma impact on communities that are more likely to be affected by poverty?

It is well known that single-parent households, disabled people and those from Black and minority ethnic groups are more likely to experience poverty. This leads to intersecting and compounding stigmas that result in greater levels of shame and embarrassment. Tight knit communities, such as rural communities, are also more impacted by the shame and stigma surrounding poverty and problem debt. There can be a heightened sense of embarrassment or fear of being found out and even being seen to go and access advice or support from someone in your town or village.

Within all these communities it can be harder for people to access debt help without others finding out which creates a further barrier to accessing debt help and can keep people trapped in debt for longer. At CAP, having a person centred approach, where we meet with clients in the comfort of their own home, has helped to overcome some of these barriers to access professional debt help.

## Do particular groups of people living on low incomes (for example women, disabled people, Black and minority ethnic people, young people) experience stigma in different ways? If yes, please give examples.

Problem debt disproportionately impacts single-parent families, almost a third (28%) of CAP clients are single-parent households. The vast majority of these are single mothers with just 2% of all CAP clients being single fathers. Susan, a single-parent from Midlothian, was gripped by problem debt after fleeing from an abusive relationship. Her ex-partner built up debts in her name. Susan was left with a newborn baby and did not know where to turn. She told us: '**I was quite nervous. I felt quite ashamed of being put in that situation. I was embarrassed.**'

Rachael is a single-parent with three children. She ended up in problem debt after moving to Scotland. Rachael felt additional shame about being in problem debt and struggled to accept the best route of debt for her being bankruptcy as this was seen as shameful in her home culture. It took a lot of reassurance from Rachael's Debt Coach for her to be able to move forward. Rachael told us: '**I think I thought it would punish my future if I had a bankruptcy record, but after all the information, I felt okay about it. My perception of bankruptcy has changed through working with CAP because of all the information that I was given and the process itself was simple, quite simple and straightforward. What I'd say to others who are feeling nervous about going bankrupt. I'd encourage them to embrace the opportunity because it actually sets you free from the burden of debt itself.**' Sadly, Rachael's experience is all too common for people from Black and ethnic minority backgrounds.

In 2019 we produced a report called *Stacked Against* which examined the breadth and depth of vulnerability and the overwhelming nature of multiple complex needs. In our report we found that out of 100 households in need of CAP Debt Help, 87 had one or more additional difficulties, 46 were struggling with mental ill-health, 28 were physically disabled, 17 had been a victim of abuse, 11 were affected by a learning disability and 9 were completely housebound. Financial crisis takes its toll both

emotionally and physically, 73% of people helped by CAP say debt made them ill. The shame and stigma that surround debt is not only leaving people feeling embarrassed and trapped, it is negatively impacting their health and wellbeing and exacerbating existing health conditions.

### In your view, what is the primary cause of poverty-related stigma?

At CAP we believe that there is not one primary cause of poverty-related stigma, it is caused by a complexity of factors. These include the harmful narrative, outlined above, combined with struggling to navigate the system. The prevailing narrative in our society is that poverty is a choice rather than the result of failures in our system. Many of our clients feel beaten down by the impossible choices they have to make, such as choosing between heating or eating.

The portrayal of poverty in the media can reinforce damaging stereotypes which are then perpetuated by negative comments on social media. Many of the clients we support have also had negative experiences trying to navigate the social security system, or interacting with other government organisations or creditors. They have been treated with hostility by people in positions of power either when subject to an overpayment or facing arrears. These negative encounters leave people feeling dehumanised and powerless.

### What role do you believe the media, including social media, play in causing poverty-related stigma?

At CAP we often work with the Scottish media to connect them with CAP storytellers when they are reporting on issues surrounding poverty or the cost of living crisis. In our experience this has largely been a positive experience, however, more can be done to improve this, particularly when those articles go on social media. There is a duty of care towards individuals held by both organisations and media to prepare people and provide a level of aftercare.

There is also a need to protect people, where possible, from any potential negative backlash of sharing their story. Recently one of our clients took part in an interview with STV, sharing their struggle with rising costs. While STV handled this story well and the narrative was positive, when the video was shared on Facebook, there were a large number of very negative and derogatory comments. We were able to provide the support needed to our client but we believe that the media needs to take an active role in moderating comments around these sensitive topics and not put engagement ahead of people.

**What role do you believe public figures (politicians, business leaders, celebrities and others) play in creating and/or perpetuating poverty-related stigma?**

Public figures have a responsibility to engage with poverty issues in a way that is constructive and inclusive. Too often the language used by public figures can be othering and leads to the belief that poverty is a choice. Public figures need to actively pursue a greater understanding of what it is like to experience poverty through genuine relationships and equal partnerships with people who have lived experience.

**How do public bodies and public services contribute to poverty-related stigma?  
Please provide examples.**

Many of the people we support at CAP feel powerless to advocate on their own behalf. Many feel silenced through previous interactions with people in positions of power that have left them feeling powerless. Coupled with the shame they often experience from external pressures within society during day to day life. Overpayments in social security, fines and priority arrears often lead to deductions that mean people do not have enough to live on. This leads to people having to survive on a deficit budget or being forced to borrow money for essentials resulting in even greater feelings of shame or failure in being able to provide for their families.

**Are there any other bodies, organisations or individuals that you believe play a role in creating and/or perpetuating poverty-related stigma? If so, please detail.**

How people are treated when they are in arrears is essential in combating poverty-related stigma. The role of Sheriff Officers is vital in preventing further stigma when they are acting on behalf of creditors. Individuals should be treated with dignity and respect at all times. Sheriff Officers predominantly act on behalf of Government debt, either through the Department for Work and Pensions or Council Tax arrears. It is within the powers of Sheriff Officers to enforce either bank or wage arrestment. While these measures are often a last resort, the unintended consequences of them are increasing the shame that exists around arrears and can push people closer to crisis point.

The role of local authorities is also essential here. We welcome steps towards reducing the cost of the school day, like the school clothing grant for those on low incomes and the extension of free school meals to include all primary aged children. The Scottish Welfare Fund has been central in helping people to access essential goods such as carpets and basic white goods. Free bus travel for those under 21 will be central to helping young people remain in education or access employment opportunities. However, more can be done to reduce the stigma surrounding these forms of support and to make them easier to access. We would advocate for a cash first approach when implementing the Scottish Welfare Fund. This approach would go a long way to removing stigma as it treats people with dignity and empowers them to furnish their own homes rather than providing them with goods that may not actually be what they need. The application process for free bus travel has left many feeling excluded and has highlighted the importance of inclusive design principles.

### What is the key change that can be taken that would help tackle poverty-related stigma?

Poverty and problem debt are destroying lives. As outlined above, problem debt is damaging the health and wellbeing of individuals and leaving them feeling trapped. Over a quarter (28%) of our clients either attempt or consider suicide as a way out of debt. We believe that recognising problem debt as a public health issue would go a long way towards removing the stigma that surrounds it. It would be a step towards a shift in understanding of problem debt and poverty by changing the narrative surrounding them.

Too often people on low incomes are excluded or penalised when accessing essential goods and services. They have to pay a premium for insurance or can be excluded from tenancy or mortgage applications. Not all banks will consider social security as a form of income. More needs to be done to protect people on low incomes from discrimination and for having to pay more to access the same essential services as those on a higher income. Could including social security status as a protected characteristic help to protect those on the lowest incomes and prevent discrimination?

### What changes can the media make to help end poverty-related stigma?

The media have a responsibility to ensure the language they use around poverty is dignified, empowering and evidence based. The media play a key role in combating the narrative that poverty and debt are the result of people scrounging off the system. Instead demonstrating how our social security system is an express of our shared values of justice and compassion and a vital service that we all rely on.

There is also an important role for the media in financial education. It is key to normalise people talking about money in removing the stigma and shame that surrounds it. Including storylines that cover key poverty issues, or the reality of living on a low income, in popular television programmes is a key part of this. This has been seen to have a big impact on key issues, such as domestic abuse, where people with lived experience are included in writing and creating the storyline.

### What role can public figures play to help end poverty-related stigma? Please give examples of existing good practice where possible.

Public figures are essential in encouraging people to talk more openly about money as well as being able to signpost people to help when it is needed. We have seen the vital role of MSPs engaging with the work of CAP and raising awareness of problem debt. This has opened the door for their constituents to come to them with issues surrounding debt and enabled them to signpost their constituents to CAP for debt help.

We have also seen the impact of the valuable work of people like Martin Lewis, in normalising talking about money and asking for help. There is a high level of public trust in the advice given by Martin Lewis and he has done valuable work in signposting people to where they can get the help and support they need. Creating room for this in

public spaces is a big step towards removing the stigma and embarrassment surrounding financial hardship.

**What changes can public services and public bodies make to help end poverty-related stigma? Please give examples of existing good practice where possible.**

We believe that it is vital to include people with lived experience in the co-creation, design and delivery of services. Following the principles set out by Fair By Design will ensure best practice and result in products and services that are accessible to, and usable by, as many people as possible. We are encouraged to see recent examples of this by Social Security Scotland and we would advocate for this to be rolled out as best practice across all service delivery. As an organisation we are committed to putting this principle into practice, partnering with UK-wide banks, including the Royal Bank of Scotland, to provide support in ensuring inclusive design. This includes the partnering of lived and learned experience.

**Is there anything else that you would like to tell us in relation to the drivers, impacts and solutions to poverty-related stigma?**

Problem debt is not just a maths problem, it impacts lives, relationships and emotions. Financial hardship and the emotional toll of being in debt sees many people become detached from friends and family, facing extreme levels of isolation.

When we are talking about poverty and problem debt it is important to make sure that hope is the central message. Many of the clients we work with at CAP feel trapped and unable to see a way out. It is essential that we offer hope and support to those who need it most, this is the biggest thing we can do to combat the negative narrative that surrounds poverty. We need to keep in focus that an end to poverty in Scotland is possible and we are committed to working together towards that aim.

## About Christians Against Poverty (CAP)

CAP is an FCA accredited charity that works across both Scotland and the rest of the UK in partnership with 580 local churches to restore hope for people in desperate need. Through a network of 26 CAP Debt Centres in Scotland, CAP offers a free face-to-face debt help service, with advice and ongoing support provided from head office. CAP also runs the CAP Money Course, Job Clubs and Life Skills groups to help people overcome unemployment, and provide financial education, all with community and holistic support at their core. CAP's services are completely free and available to all regardless of age, gender, sexual orientation, faith or background.

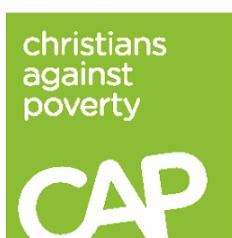
## Requests for further information

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