

# Financial inclusion

'Trigger point conversation' – for staff and volunteers

## Why is financial inclusion important?

Our residents need financial services and products that can support them to manage their money on a daily basis, to plan for the future and to avoid financial crisis. They also need free and trusted financial information, advice and support that can help them to cope with difficult financial circumstances. All of this helps towards our goal of supporting people to be 'financially included'.

If our residents aren't financially included, it can be more difficult for them to cope with crises such as long term sickness, unemployment or family breakdown. It can also mean that they pay more for everyday essential items, such as utility costs and credit. The Council and its partners are committed to promoting financial inclusion and empowering frontline staff to talk to people about money to help reduce the impact of poverty.

## Let's talk about money

If we make it our business to talk to about financial inclusion issues, we will make it easier for people to ask for help, preventing money worries from reaching crisis point. Talking about money can be daunting, but if you come into contact with local residents on a regular basis you are well positioned to identify many of the warning signs. You can start conversations about financial inclusion by asking questions like those included below.

Some of this information refers to online support. For details of where **computer and internet access, advice and training** is available in Newcastle, visit: [www.getonlinenewcastle.co.uk](http://www.getonlinenewcastle.co.uk)

## Recognise signs of illegal money lending (loan sharks)

Illegal money lenders, or loan sharks, are unlicensed traders who operate outside of the law. They often target vulnerable people, charging extortionate rates of interest. Borrowers will not be protected by any form of contract, terms or conditions and non-payment could lead to threats, violence or the taking of valuable items. Loan sharks can sometimes frighten people by saying they will be prosecuted or even sent to prison if they don't repay their loans. This cannot happen; an unlicensed lender has no legal right to recover the debt.

### Look out for the following signs

- Tenants who are close to eviction but are suddenly able to pay rent arrears with cash
- Residents who have a 'family loan' or 'owe money to a family friend'
- People living on extremely limited means, although on paper they seem to have sufficient income

### Ask the following questions – they could help to identify victims of loan sharks

- Have you been offered cash without paperwork?
- Have you been threatened when you were unable to pay your loan?
- Has your benefit or bank card been taken from you as security for a loan?

**Report loan sharks** – contact the Illegal Money Lending Team by phone on 0300 555 2222. Loan sharks can also be reported online by visiting [www.stoploansharks.co.uk](http://www.stoploansharks.co.uk) The national Illegal Money Lending team also has someone who can provide local support, for more information contact Emma Picknett by phone on 07927 665 818 or by email [emma.picknett@birmingham.gov.uk](mailto:emma.picknett@birmingham.gov.uk)



## **Know about affordable credit options and encourage residents to save**

Affordable credit refers to credit facilities provided by organisations who understand the dangers of high cost lending to people on low incomes or with poor credit ratings. They generally offer people affordable interest rates, as well as debt and budgeting advice, and are a cheaper alternative to high interest lenders. Because of this, we promote them to residents – supporting them to borrow wisely. In order to apply for a credit union loan residents must be a member. Saving regularly, even small amounts of money, can help to provide financial security and can safeguard against unexpected or emergency expenses. It's also a good habit to get into, especially from an early age.

### **Ask the following questions – these could prompt residents to borrow wisely or to save**

- If you got an unexpected bill, do you know how you could pay it?
- Do you have a 'rainy day' plan in case of an emergency?
- Would you like to find out about ways to save for Christmas / a holiday / your children's school uniforms?

### **Know who to contact**

- **Moneywise Credit Union** – phone 0191 276 7963 or visit [www.moneywise.org.uk](http://www.moneywise.org.uk)
- **Five Lamps** – phone 0300 111 0556 or visit [www.fivelamps.org.uk/loans](http://www.fivelamps.org.uk/loans)
- **Fair For You** – (affordable loans for household goods) visit [www.fairforyou.co.uk](http://www.fairforyou.co.uk)

## **Recognise signs of fuel poverty**

Living in cold homes can damage people's health and affect their quality of life. Older people, children, disabled people and people with a long term illness, are especially vulnerable.

### **Look and listen out for the following signs**

If you visit a resident at home, look out for the following which could indicate fuel poverty:

- The home feels cold and draughty, smells of damp, or has signs of damp (such as mould)
- Only one room is heated, or there are homemade draught-proof heating measures

Listen out for things that residents mention during conversations, such as:

- "My home is too cold" or "I can't afford to put the heating on"

### **Ask the following questions to start conversations about fuel poverty**

- Do you have any problems keeping your home warm enough?
- Do you regularly turn your heating off because you're worried about the cost?

### **Know who to contact**

- **Newcastle City Council Energy Services** for energy and fuel debt advice – phone 0191 278 3427, email [energy@newcastle.gov.uk](mailto:energy@newcastle.gov.uk) or visit [www.newcastle.gov.uk/energyadvice](http://www.newcastle.gov.uk/energyadvice)
- **Citizens Advice Newcastle** have a specialist energy advice team – phone 0370 145 1450 or email [powergrid@newcastlecab.org.uk](mailto:powergrid@newcastlecab.org.uk)

## **Further information**

Please use this information sheet to talk about financial inclusion and help our aim to support more residents with financial issues at an earlier stage. For further information, visit [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals) . For queries relating to the support available to promote financial inclusion and prevent homelessness, contact the Active Inclusion Newcastle Unit at [activeinclusion@newcastle.gov.uk](mailto:activeinclusion@newcastle.gov.uk)

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