

# **LAMBERT, Alexander - Additional Question**

## **Reasons for and Consequences of Debt**

My advice work has shown that trying to pin one cause to any single debt case, let alone debt in general, is an impossible task. Often, you can pin down the start of problems managing the debt to a change in circumstances; a person's debts may be manageable under one set of circumstances but, lose the job, have a[nother] child, fall ill, and the debts become unserviceable and a problem. Changes to the benefit system or awards can also have huge impacts on peoples' debt problems. Recovery or recalculations of benefits and tax credits, can lead to major impacts on a client's income. Any change to income or circumstances can fuel further debt or make current debt unmanageable.

In addition to change of circumstances, poor financial literacy still plagues our society. Coupled with a "buy now" culture and the regular advertisements for credit we are all subjected to, this budgeting skill-gap becomes a real factor in debt situations.

Debt can create a vicious circle; people may find themselves unable to meet basic payments, extending into overdrafts and building up arrears and charges with both the lender and the bank. This affects their credit rating which in turn affects who will lend them money and at what interest rate. As the situation becomes more complicated with "robbing Peter to pay Paul", non-status lenders offering "consolidation loans" and fee-charging debt management companies start to look attractive.

Debt can also create a vicious circle; people with bad credit ratings can find it difficult to get credit from anyone other than non-status lenders. Further, people not able to meet bills often find themselves incurring charges on the bill and with the bank.

Debt can have a major impact on people's health - Warrington District CAB's GP Outreach project enjoys great success in helping to improve the health and anxiety levels of many clients every year by helping them with their debt problems. This could be as simple as ensuring that they know the difference between priority debts and expenditure and non-priority debts and therefore spend enough on food and heating, to removing the stress of debt collectors and bailiffs by setting up sustainable agreements with all creditors.

## **Skills I Would Bring to the Role of a Debt Caseworker**

I believe that as a Debt Caseworker, I would bring a considerable skillset, and a great willingness to learn. I have spent a year advising with Warrington District CAB in many environments and with many different types of client.

I have experience in viewing debt holistically. I am aware of different options for clients and when various options might be suitable.

I have a sympathetic ear, and can identify when extra effort may be needed to allay people's fears.

I have been working with supervision and advice from experienced debt caseworkers. With support, I have helped clients to fill in bankruptcy petitions, and negotiated with creditors for time, and sustainable payment schedules.

Through work in a Students' Union, I am used to representing students and answering questions and making arguments in different environments and different audiences. As an adviser, I have been negotiating with creditors for more time to prepare financial statements and further.