



Debt Can Affect Health

When life events such as serious physical or mental illness, loss of employment or bereavement, often combined with existing lack of financial capability, impact upon us it's not just money matters that can be in crisis. Money problems and multiple debts often result in ill-health or relationship breakdown.

Recent research commissioned by Grant Thornton's Personal Insolvency Service revealed that money advice can prevent suicide. Every single person with debt problems addressed in the research had considered ending their life.

It's enormously rewarding to be able to deliver practical and pragmatic money advice which protects financially distressed individuals and families from the serious consequences of debt, such as repossession and court action. Research by the Legal Services Commission entitled "A Helping Hand – the Impact of Debt Advice on People's Lives" revealed that the advice often has a positive long term impact on mental and physical health.

Two recent case studies from my files indicate the age range and diversity of people experiencing the enormous stress of debt problems:

A young doctor recovering from a serious stroke and on a very low salary returned to work and was attempting to repay a £25,000 professional studies loan to a High Street bank at £350 per month. The bank was extremely unhelpful and threatened legal action but we negotiated a payment arrangement of £5 per month with interest and charges frozen. We also advised that he open a current account with an alternative bank to ensure rent and other bills got paid and that he buy a prescriptions pre-payment certificate which saved him £600 per year.

A doctor's widow, in her 70s and with physical and mental health problems, was receiving means-tested benefits. She was paying £200 per month to a debt collection agency for a historic debt of £6,000. In the absence of advice, payments were actually being made by a friend who, of course, had no responsibility for the debt. We wrote to the collection agency and they agreed to write off the remaining sum.

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