



Single Parent Families Impact Report

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Debt
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**One Parent
Families Scotland**
changing lives, challenging poverty

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Introduction

OPFS has developed a model to regularly collect the experiences of single parents across Scotland. Through our five local services, national advice and information service and website we capture key areas of concern for single parent's families.

Our bi-monthly monitoring reports have captured the impact of the COVID-19 pandemic on the lives of single parent families. The report now also focusses on the impact of the cost-of-living crisis including rising energy costs and food bills. However, we will still recognise COVID-19 related issues which continue to impact on single parent families.

There are five elements to the model:

- Gathering knowledge: Parent's experience is systematically collected and analysed.
- Monitoring Emerging Issues: Emerging issues are drawn out and highlighted.
- OPFS Response: Our services respond by working to meet the needs identified.
- Dissemination and Communication: Emerging issues communicated to key influencers.
- Single Parent Proofing: Using single parent feedback to inform the development, implementation and evaluation of policy and practice so that they respond effectively to the needs of single parents.

This report is organised into four broad categories. These reflect the topics single parents contacted us about over the last 2 months:

1. Health and wellbeing
2. Social Security Benefits
3. Money and family income
4. Family wellbeing.

Main findings

Health and wellbeing

Due to the ongoing rise in living costs over the last few months, single parents have told us that they despair for their families. The impending festive season and the financial burden this period will inevitably have on household budgets is uppermost in their minds. Parents are seeking mental health support to overcome feelings of depression, anxiety and to be able to deal with future challenges.



I also suffer from mental health issues; I fear one day I will have a breakdown.



I worry all the time as I don't want to leave the house and there is no point when money is so short. My mental health and my sleep pattern suffer.

Parents of children with disabilities, or who have disabilities themselves, have told us that they need additional financial support to survive through this winter. The extra costs some face in using their family member's medical equipment means they can no longer heat their home sufficiently, resulting in a severe impact on the whole family's health and wellbeing.



There needs to be more awareness of the additional costs involved in living with disabilities. Increased financial support is key. We need help.



I cannot afford to put my heating on often and I do work. I have a child with a disability and the heat of our home has a direct impact on his condition, but I cannot afford to keep it on long.



I work, I have disabilities but struggle to put food on the table, have heating on, no flooring in home and no tv and rising debt but no help...

Social Security Benefits

Throughout October and November single parents contacted OPFS services for assistance to apply for the Scottish Child Payment, which opened to applications for children aged six to 15 on 14th November. This additional financial assistance will help alleviate pressure on already tight household budgets.



If Scottish child payment got paid for all my kids, it would help me pay my electric as it's doubled.



Being able to get child benefit paid weekly and the Scottish child payment every four weeks normally ends up coming at a time when I need it most.

Money and family income

The cost-of-living crisis continues to impact many single parent families. Rising debt along with unforeseen living costs, such as household maintenance, are significantly impacting on already tight incomes. Single parents are often on the lowest incomes and have been affected by constant cuts to benefits, energy price increases and low wages. Often families face extreme financial hardship. We know this from what parents have told us about their day-to-day struggles.



I'm in debt as I have had to resort to credit cards for buying food etc. Can't access food bank because it's only open when I work.



I am really struggling to survive month to month with relying on benefits. I am grateful for these, but they really are below the living costs. There seems to be no relief from anywhere!

In the Chancellor's recent Autumn budget, he said the UK Government is focused on 'stability, growth, and public services...protecting the vulnerable because to be British is to be compassionate and this is a compassionate government.'¹ However, this 'compassion' sentiment is meaningless when we see that many low income households, including single parents', remain in ever more financial distress.



We need more help financially - with everything in life going up we need our benefits to reflect it.

1 <https://www.gov.uk/government/speeches/the-autumn-statement-2022-speech>



Better understanding of the cost-of-living crisis would help. Ignorance and lack of life experience hinders people like me. Those who make decisions have never known real struggle.

Too many single parent families are having to use food and clothing banks and are unable to keep themselves and their homes warm. They are often also having to endure poor housing conditions.



I do not have an appropriate home for my son and I to stay in. This has gone on for years. The situation now is I have a private rent flat. I can't use the facilities due to access issues. This is a drain financially due to bills. My son and I now must stay with my mum where we share a room. If I give up my flat the Housing Association will say I made myself intentionally homeless and they won't rehouse me. I'm extremely anxious and upset about the situation.

Family wellbeing

With the winter months approaching and Christmas looming, many parents tell us that they feel anxious and are very worried. Parents feel they are failing their children because they cannot provide them with festive treats and gifts. Consequently, the prospect of Christmas is full of dread because it is all about the social pressure of spending money which they do not have or cannot afford.



I don't know how I am going to cope with Christmas as I have no spare money at all for any gifts.



I am very stressed out about everything, and it just seems one thing after another just now. Christmas is round the corner and I will not be able to give my daughter what she needs.

Spotlight: Debt

In a recent report on debt by the [Joseph Rowntree Foundation \(JRF\)](#) the following statistic was highlighted:²



We find that 3.8 million low-income households across the UK are in arrears, and 4.4 million have had to take on new or increased borrowing through the pandemic. Many of these households weren't in arrears before the pandemic and have faced income loss and increases in their expenses.

Another leading debt charity, [Step Change](#), has found that 82% of single parents feel they do not have enough income to meet living costs. This led to them having to borrow money and falling into debt.³

Debt is becoming an even greater financial crisis for many low-income families' intensifying cost of living and inflationary demands. Many single parents have become reliant on paying for daily bills, such as food shopping, with their credit card instead of cash. This is facilitating the descent into mounting debt and unmanageable situations.

From our engagement with single parents during October and November, we know that debt comes in many forms, including:

- non-priority debt
- priority debt and bank overdrafts
- loans debt
- school meal debt
- public bodies debt.



I am having to pay off debt as I had to use a credit card to buy food etc.



I am in debt as I've had to resort to using credit cards for buying my food and other items. It is a tough way to live.

² <https://www.jrf.org.uk/report/dragged-down-debt-millions-low-income-households-pulled-under-arrears-while-living-costs-rise>

³ <https://www.stepchange.org/media-centre/press-releases/single-parents-problem-debt.aspx>

Family support workers also noted that:



...Too many paying parents are racking up thousands in debt...



Better help is needed for people struggling with debt that does not involve insolvency and a long-term negative impact on credit scores.

In response to the increasing numbers of parents contacting [OPFS](#) about money worries we have launched a new debt and budgeting tool which is available at our website.⁴ This tool gives parents the opportunity to check their weekly outgoings and so help keep track of their household budgets to find ways to cut costs.

In a blog on our OPFS website Emma Jackson, National Director Scotland for [Christians Against Poverty](#) spotlights single parents' debt experiences.⁵ Emma describes the situation of a single parent called Angela:

Angela, a single parent with two teenage boys said that debt was all consuming.



I wasn't sleeping, I wasn't eating, my mental health was really starting to suffer.

My mind was constantly thinking how I am going to get through tomorrow... it was just horrendous.

Her experiences are sadly replicated across our nation and a growing number of single parent households are being pulled under because of problem debt.

Problem debt often happens due to unexpected circumstances. Job loss, bereavement, relationship breakdown, ill health. But increasingly and especially for single parents, it's happening due to insufficient income. For an increasing number of families there simply isn't enough money to cover everyday essentials that we all need and therefore debt becomes a predictable outcome. One parent who took part in the OPFS research said:



If I borrow to get through the month, I start off the next month with even less and the cycle continues. It feels like an impossible puzzle sometimes and a massive stress that weighs me down and holds me back from enjoying life with my sons.

⁴ <https://opfs.org.uk/support-and-advice/making-the-most-of-your-family-budget/your-budget-tool/>

⁵ <https://opfs.org.uk/get-involved/news-and-events/blogs/debt-the-unwelcome-guest/>

These quotes highlight the real struggles that many parents are experiencing when living with and managing rising debt.

Conclusion and policy actions

The UK Government predicts that we will see the sharpest fall in incomes since the Second World War. As prices outstrip the rise in wages, the [Office for Budget Responsibility \(OBR\)](#) expects real wages to fall by 2.2% in 2023.⁶ The changes in economic conditions and changes to tax and welfare is driving the fall in real household disposable income.

The Financial Fairness Trust describes, in their ongoing research on debt, that household debt is a major threat to the financial wellbeing of people on low-to-middle income. There is agreement that many people face the worst wage squeeze in modern history, leaving many households with little choice but to use credit cards to meet their most basic of needs. Consequently, the poorest households are left paying the highest interest rates and charges.⁷

Parents are doing the very best for their families, but at every turn are faced with barriers. Through no fault of their own they are facing extremely difficult choices. All of which is having negative impacts on ever diminishing household budgets and the mental wellbeing of the whole family.

[The Scottish Parliament's Social Justice and Social Security Committee](#) conducted an inquiry this year to better understand the challenges faced by people with low incomes and debt problems, against a backdrop of the global "cost of living crisis". The resulting report 'Robbing Peter to pay Paul: Low income and the debt trap' made a series of recommendations which we support.⁸

The committee:

- Asked what plans the Scottish Government have to invest in affordable credit in Scotland for families who are turning to high interest forms of credit.
- Recommended that the Scottish Government works in partnership with public bodies to develop a debt management strategy covering all public bodies within devolved competence in Scotland. This should include:
 - information on identifying customers who can't pay their debts
 - a requirement for active liaison with, and referral to, money advice services
 - processes to ensure a proportionate approach to debt enforcement
 - an evaluation of the cost-effectiveness of debt collection.
- Urged the Scottish Government to implement its free school meal expansion as soon as possible, along with the individual write-off of existing school meals debt.

6 <https://www.instituteforgovernment.org.uk/publication/autumn-statement-2022/households-outlook>

7 <https://www.financialfairness.org.uk/en/funding/funded-projects/jubilee-debt-campaign>

8 [Robbing Peter to pay Paul: Low income and the debt trap \(azureedge.net\)](#)

Aberlour Children's Charity also recently published a report on DWP debt 'Universal Credit Deductions for Households with Children' which highlighted that:

- More than half of low income families in Scotland in receipt of Universal Credit have at least one deduction by DWP from their monthly income to cover debts to public bodies.
- More than a quarter (27%) of low income families in Scotland in receipt of UC have multiple deductions by DWP from their monthly income to cover debts to public bodies.
- Low-income families in Scotland in receipt of UC with debts to public bodies are seeing their monthly income reduced on average by £80 to cover those debts.

The report recommends:

- A moratorium on debt recovery by DWP, Social Security Scotland and local authorities.
- Scottish Government to introduce a Debt Management Bill.
- COSLA to develop local authority debt management and recovery guidelines.
- Write off all existing school meal debt and increase thresholds for free school meals.

We need policies that will cut heating costs, improve standards of living, and ensure positive outcomes for families living in poverty. Our Living Without a Lifeline report outlined some key recommendations regarding debt:

- The UK Government should make debt deduction rates from benefits more affordable. Those subject to debt deductions face particularly high levels of hardship. Reduce the maximum cap on Universal Credit debt deductions from 25% to 15% and a maximum cap for state debt deductions at 5%.
- The Scottish Government should work to influence energy providers in Scotland to focus on debt write-offs or bill support for families in the 6 priority groups and pre-payment meter users who face higher costs and the risk of self-disconnection.
- Local Authorities should in response to the cost-of-living crisis, ensure families have their basic needs met.

The UK and Scottish Governments need to do more to address the escalating situation of increasing debts facing low income families. The focus must be on improving the quality of the standard of living through investment in support services and making the social security net as robust as possible, especially for families in crisis and on the lowest incomes.



One Parent Families Scotland

changing lives, challenging poverty

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