

**Everything was  
falling apart –  
Citizens Advice  
helped me get  
back on track.**

**citizens  
advice**

**The value of the  
Citizens Advice  
service: our impact  
in 2014/15**

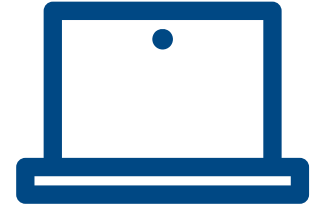
# Key facts about Citizens Advice:



**6.2 million**  
advice issues  
dealt with directly



**2.5 million**  
clients advised  
directly



**20.7 million**  
visitors to our  
online advice  
[citizensadvice.org.uk](https://citizensadvice.org.uk)



**2,500**  
locations where  
we provide free  
and independent  
advice across  
England and Wales



**2 in every 3**  
clients have their  
problem solved



**4 in 5**  
clients said advice  
improved their  
lives, including  
reducing stress  
and improving  
finances



**95%**  
of our clients  
say they would  
recommend us



**90%**  
reported  
satisfaction with  
the overall service  
they received

# Foreword

**Gillian Guy, Chief Executive**

Citizens Advice helps people to solve problems and changes lives. Last year we helped 2.5 million people directly, however our work touched millions more. This report puts a figure on the value of Citizens Advice and I am pleased to say the results are extraordinary.

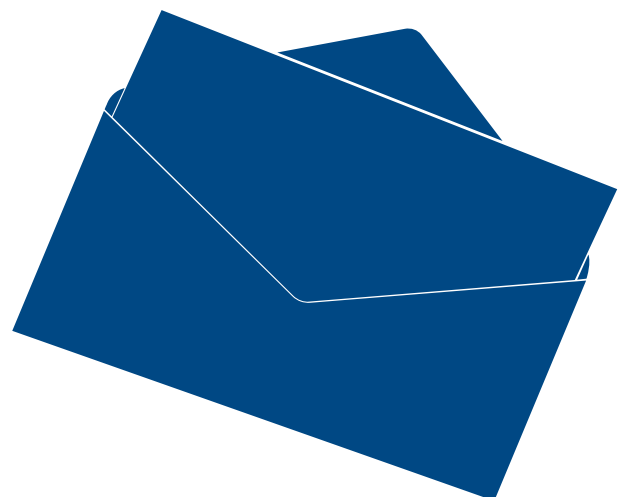
Examining our value is crucial as the pressures on the public finances continue, and national and local spending is scrutinised further. It is our responsibility to communicate why Citizens Advice is an essential service and not just a 'nice to have'.

Citizens Advice is unique for many reasons: our 21,600 dedicated, highly trained volunteers; our presence in every community across England and Wales; our impact solving 2 in 3 people's problems; and the wide range of issues we help people with. And so it will come as no surprise to those who work or interact with the service to learn that our value is also unique.

For every £1 spent on the Citizens Advice service, we benefit our clients by £10.94, we save government and public services at least £1.51, and a minimum estimate of our social and economic value to society is £8.74. Our evidence reinforces what we've always known about our service – that it is not just what we do but also the way we do it that is of huge benefit to society.

It is with this knowledge that not only is free advice essential, it is also highly valuable, that we call on local and national government to protect Citizens Advice. Be it supporting people through the transition to universal credit, easing the burden on the health service or ensuring policies and markets deliver for everyone, we have a central role to play.

And so I conclude with a call to action to everyone across the Citizens Advice service – absorb this report and ensure no one is left in any doubt of just what a remarkable, effective and valuable organisation Citizens Advice is.



# Our value to everyone

## The impact of Citizens Advice

Last year we helped 2.5 million people with 6.2 million advice issues and had 20.7 million visitors to our website. We are in every community from Camden to Conwy, Penzance to Penrith, with 21,600 trained, trusted and knowledgeable volunteers ready to help, no matter who you are or what your problem may be. You will find us on the high street and in community settings to give advice face to face. You can reach us over the phone and increasingly via webchat on the internet. We have been here for 75 years, but we are a modern service evolving to meet society's changing needs.

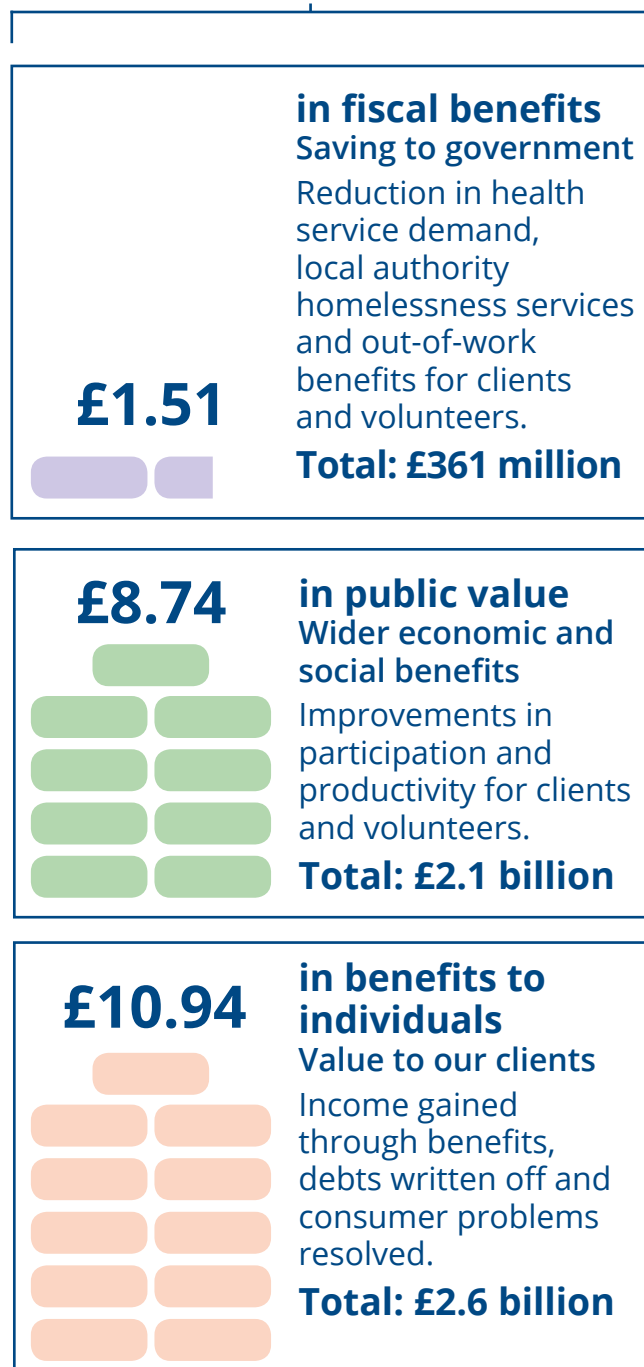
We help people solve their problems and find a way forward. We solve 2 in 3 of the problems people present to us, be they issues at work, with the welfare system, paying back debts or with housing problems. We also solve 1 in 2 consumer issues, where goods are faulty or people need help exercising their rights and getting redress.

Through the advice we give, we turn lives around. Prior to advice people often feel stressed, anxious or depressed. Their relationships can be strained both at home and in the workplace, sometimes leading to the prospect of losing their job, their home or ending their relationship. Not only do we help solve problems, our research shows that our advice improves lives, with 4 in every 5 clients reporting that our help led to additional benefits; worries are diminished, confidence returns and a way forward can be found at home, at work, in the community. 90% of people are satisfied with our service and 95% would recommend us to their family or friends.

### Our value to society in 2014/15:

For every £1 invested in the Citizens Advice service we generate at least:

£1



We provide education and skills to our clients to help them avoid similar problems in the future, to equip them with financial skills to help manage their budgets and avoid debt, and to ensure that they know about and switch to the best deals that meet their needs and save them money.

Where we can't solve problems we use our insight and evidence from the front line to research the systemic problems and barriers that hold people back. We influence politicians, policy makers, regulators and companies to change rules and regulations for the benefit of everyone. From the cap on the cost of payday loans to regulations preventing retaliatory evictions, our reach is wider than the clients we see.

All of our activities and the way we work come together to benefit individuals, government and society. Our value stems from the way problems can affect individuals, and the detrimental impact they can have on their lives. This includes working with those most in need. Advice and education, research and advocacy can mitigate this detriment – through resolving problems now and preventing them in the future.

This saves money for the government, significantly for local authorities through helping to prevent evictions and homelessness, the Department for Work and Pensions (DWP) through helping to maintain people in work rather than on benefits, and the NHS through improving people's health and well-being. It also benefits society through healthier, happier people, moving forward with their lives with new confidence, participating in their community and working more productively – this is our value to society.

When we put a conservative financial estimate on our value, it exceeds our funding considerably.

However, we can't just communicate our value in strict financial terms, as this only gives part of the story of our impact on society and would therefore underestimate our true value. Some of the crucial things we do we can't put a pound sign on. All of this demonstrates that the Citizens Advice service is an essential service and strategic partner – both locally and nationally – now and in the future.

## **Our modelling also allows us to show how fiscal savings are attributed to specific government departments, for example:**



### **Department for Work and Pensions**

through reduced out-of-work benefits, £163 million



### **Local authorities**

through reducing cases of homelessness, £57 million



### **Department of Health**

by reducing the use of health services, £47 million

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# Introducing our value

Hugh Stickland, Chief Economist

## How do you measure the impact and value of Citizens Advice?

A service that directly helps millions of people a year, each with their different and unique backgrounds, problems and needs. We aren't driven by a one size fits all approach. We meet people in the midst of their problems and tailor our advice to help each person find a way forward.

It's not uncommon to hear our clients refer to the help they received as priceless, life changing or invaluable. Alongside debts managed, jobs kept and rights established, we are aware of lives not only changed but also lives saved through suicide prevented, families kept together, worries, stress and depression overcome and a new sense of confidence and purpose ahead. How do you value all of that?

While we can't speak to all our clients, last year we surveyed a large, robust representative sample to ask people about the outcomes we helped to achieve and the impact that had on their life. The results of our *National outcomes and impact research* are used extensively in this report, and we thank the participants who gave us their time and responded.

Outcomes and impact is one thing - value is another. Last year we published *Making the case*, which focused mainly on the value of advice to the individual. This year, armed with new compelling impact evidence and with the help of New Economy Manchester's cost benefit model and guidance from their economics team, we go further. The model we use has been adapted and approved by HM Treasury, using robust methodology and takes account of the latest evidence and data. It enables us to show our value both to the Government in terms of exchequer benefits and more widely benefits to society.

We have now strengthened our evidence about the outcomes we achieve, including those that are financial, the impacts that has on people's lives and the health benefits that accrue from advice. Within this report and the technical workings, we have still taken a conservative approach, sticking to what we know and using caution when making assumptions. We don't yet put an overall value on our education or research and campaigns work we know would boost our value further still.

So against the backdrop of 2.5 million individuals with different needs and the transformative effect that advice can have, we still acknowledge that the findings here are simplified and likely to underplay our true value. But the message is clear. Life is complicated, we're here to help. Free, impartial advice is crucial and highly valuable to individuals, government and society as a whole.



# Why Citizens Advice is needed

## Anyone can experience a problem

**Life is complicated. Sometimes people encounter challenges and problems that they don't know how to deal with, and they need help to overcome.**

Everyone experiences problems, small or large. These might relate to querying rights at work, understanding your housing options, struggling to meet financial commitments, or knowing your consumer rights on a faulty product. Sometimes these issues can be quickly resolved. Other times it's not that simple.

More complex situations rarely come neatly packaged up as a single problem. A loss of income, for example, can affect someone's ability to keep a roof over their heads, stay out of problem debt and feed their family.

Problems can arise suddenly, affecting anyone without warning: you lose your job; you or your partner becomes ill; a relationship breaks down. In some cases there is a slow escalation: if the initial problem had been spotted earlier, later issues could have been avoided.

## Nearly 3 in 4 Citizens Advice clients experienced negative impacts as a result of their problem<sup>1</sup>:



**2 in 3**

felt stressed, depressed or anxious



**Nearly 1 in 3**

had less money or escalating financial difficulties



**Over 1 in 5**

had to move home or worried about losing it



**Nearly 1 in 3**

felt their physical health had got worse



**Nearly 1 in 5**

had difficulties in relationships with other people



**1 in 10**

struggled to keep their job or find a job

<sup>1</sup> Citizens Advice. National outcomes and impact research, 2014.



People can become trapped in a vicious cycle, when the effect of one problem can be the cause of another. Problems multiply and affect other areas of a person's life, creating further difficulties. Problems can make us feel a lack of control, with no clear way out and leaving us feel powerless and isolated. It's understandable in these situations for it to be hard to think clearly and start taking action.

No matter how a problem starts the end result can be life altering. But trusted help and support isn't always readily available. Some of us are lucky enough to know informed or connected individuals who can advise us on the best course of action, helping us to both understand our options and then how best to navigate a process to move forward. For those of us without such connections, or the necessary funds to pay for help from a solicitor, there can be a lack of understanding of our rights and nowhere to go. For many, it's the day-to-day reality of living hand-to-mouth without a safety net, should something go wrong.

In such situations, being able to access free, impartial, confidential advice at the right time is essential.

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## Specific problems can have wider impacts

Problems not only have direct consequences, but often bleed into other aspects of people's lives as well, impacting especially on their mental well-being. They can affect people's family and friends, as well as society as a whole should the state have to step in either in the short or long-term.

Knowing where to start unravelling such problems to find a way forward can be challenging when cause and effect are entangled. But everyone has the right to an informed decision when making a choice that affects their life. Not everyone that faces a problem seeks advice, but through research and campaigns work we can help anyone affected by problems with policy and practice.

**I started experiencing problems with my health, with suspected MS, two years ago. I was unable to continue working as a cook as I couldn't walk or dress myself – some days I was unable to get out of bed at all. I hadn't paid any national insurance since being on sick-leave, so applied for personal independence payment (PIP) as I was ineligible for employment and support allowance (ESA). Following an assessment, I faced a 8-10 week wait for a decision, but this was further delayed. We really struggled – my husband only earns a modest wage which covered just our mortgage and bills. We had to rely on family members for regular food parcels, and to help purchase a mobility scooter and accessible bath. The whole situation was very stressful for all of us. With the help of Citizens Advice, I was eventually awarded the highest rate, and received a £4,900 back-payment. I am truly grateful for all of the assistance they have given me and the support they continue to give for other issues I am facing. Without them, I would never have received a penny.**

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Stephanie, Citizens Advice client

# We help people find a way forward

## Everything we do shares this aim

If you came to us with a problem, we'd help you get back on track, while recognising where others might also be facing similar experiences.

### Advice and education

We'd work with you to find a way forward, taking into account all the ways your problem might be affecting your life, and finding the best next steps for you. We'd also consider if we could develop your skills to prevent a similar scenario arising again.

We provide integrated advice to solve individuals' problems either directly through our local Citizens Advice network and consumer service, or via our self help website.

Read more about our advice and education provision on page 6.

### Research and campaigns

Where a systemic barrier with private or public policy and practice stops us resolving your problem, we'd look at other clients' experience.

We use our national data to understand the impact of policy and regulation, and campaign locally and nationally for changes to solve collective problems. So one way or another, we're helping everyone – not just those we support directly.

Read more about our research and campaigns on page 22.

### How we work

When you come to us with a problem, you're likely to be helped by one of our trained volunteers, using both our local knowledge, supported by our national network.

We also create benefit to society through the way we deliver our services.

This is in addition to the impact our principal activities have on clients' lives, and covers:

- the benefit of working with 21,600 volunteers
- our support for local communities
- the power of our national network.

It's also what makes our service unique.

Read more about how the way we work creates additional social value on page 26.

# We benefit everyone

Our value is shared across society



**£361 million**  
**£1.51 for every £1**

## **Savings to local and national government**

Our advice benefits government and the taxpayer. Through helping to solve problems we prevent detriment occurring or escalating further. In many cases this saves money to government through preventing the need to fix the problem later or reduce the demand on government services such as the NHS. In helping to keep people in work we reduce out-of-work benefit payments too. These all help to keep the cost down to the taxpayer and are called fiscal benefits.



**£2.1 billion**  
**£8.74 for every £1**

## **Wider economic and social benefits**

In addition, our advice is beneficial to wider society and the economy. For example, through helping solve problems we have significant impacts on our clients' mental health and well-being. Aside from any cost savings to government through reduced demand on the NHS, there are benefits to society in people feeling better, more confident and able to participate. There are economic benefits too through increased productivity for businesses and reductions in time spent off work due to ill health. These are public value benefits.



**£2.6 billion**  
**£10.94 for every £1**

## **Value to individuals**

Helping people through the advice we give also directly benefits those individuals. That may be through helping them with their rights at work, maximising their income through claiming the correct benefits, helping them arrange debts written-off or helping consumers get redress when they have bought faulty goods. Where we achieve these outcomes we count them as benefits to individuals.



## **To find out more**

about how we've modelled our financial value, see 'Measuring our value' on page 29, as well as our full technical annex: *Modelling the value of the Citizens Advice service in 2014/15*

# In focus: advice and education

Our service provides free, independent and confidential information and advice. We provide advice to everyone on any topic.

**In 2014/15:**



**We provided advice to 2.5 million people directly**

1.9 million through our network of local Citizens Advice centres and 0.6 million via our consumer helpline



**We dealt with enquiries through multiple channels**

48% were dealt with face to face, 48% by telephone and 4% by email or webchat



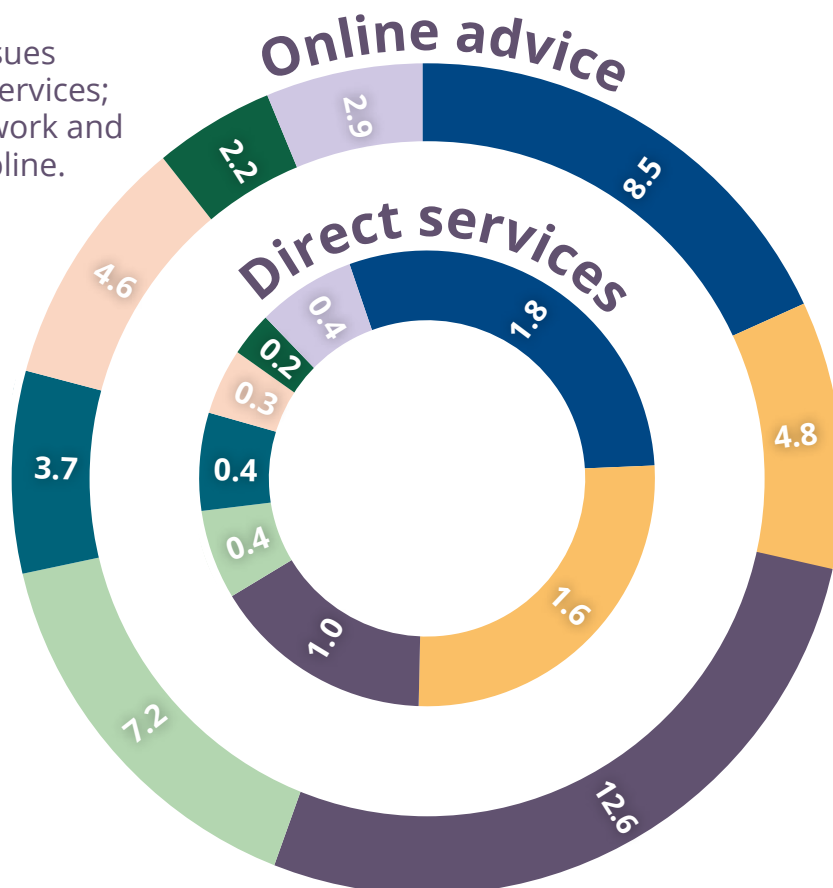
**We helped 20.7 million visitors last year**

using our online advice tools, viewing 47 million pages

We addressed over 6.2 million issues directly through Citizens Advice services; 5.6 million through our local network and 0.6 million via our consumer helpline.

All issue figures are in millions:

- Benefits and tax credits
- Debt
- Consumer goods and services
- Employment
- Housing
- Relationships and family
- Legal
- Other



# What makes our advice unique?

From knowing whether to challenge an employment decision to checking an energy contract, our clients can expect the same overarching approach from us.

## **We're impartial:**

Our primary objective is to get the best for our clients, and it is this that determines the advice and options we present.

## **We're confidential and non-judgemental:**

Our role is to help people find a way forward, so we'll be straight-talking and practical about what how to resolve problems.

## **Our advice services can be accessed in different ways:**

Being able to access timely free advice that meets user needs is essential, so we offer advice in person, over the phone, and via email and webchat.

## **We understand the complexity of issues that affect people's lives:**

This doesn't daunt us, and we'll work with the client to understand the root cause and aim to tackle that too.

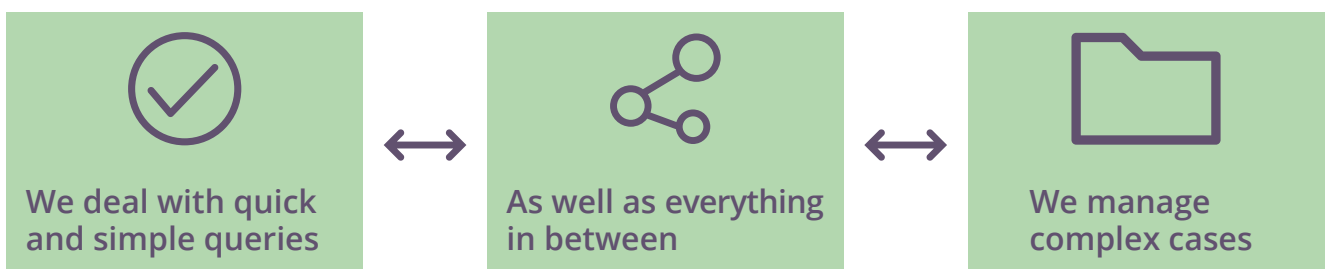
## **We understand that experiencing a problem affects self-confidence:**

We'll provide as much support as needed, empowering clients to regain control of their circumstances, with the certainty they're taking the right approach.

## **We help redress the power-balance:**

We support people to address their problem bringing our voice, credibility and experience.

## What level of advice and support is needed to resolve problems?



We tailor our advice and allocate our resources to meet our clients' needs, whatever stage their problem may have reached or level of support needed.

People come to us with quick questions: they might want to double-check a piece of information or ensure that they've chosen the best course of action. After ensuring that there aren't any further underlying issues, we're likely to support these clients through signposting or self-help, enabling them to deal with their query quickly and effectively.

Some clients come to us when problems have initially arisen – for others, their situation may rest on a knife edge. We help people that have reached a real crisis point and need urgent help. They may have bailiffs due that day, their energy is about to be disconnected or their home is about to be repossessed. It may have taken a lot of personal courage to decide to take action. These clients will likely need more specialist advice and support.

# The impact of our advice

## Our advice solves problems, changes lives

Last year we completed a large scale national follow-up phone survey of over 2,700 clients to find out what happened to them following advice<sup>2</sup>. The overarching idea was to pose a simple question: 'What did Citizens Advice do for you?' We wanted to see whether we succeed in our aim to solve clients' problems and change their lives, and to understand the difference our local network therefore makes to society.

The results provide our most robust evidence to date of the effectiveness of our advice services, and we are pleased that they show our service really works.

Whoever you are, whatever your problem and however you access our advice, we're just as likely to solve your problem. This level of consistency is testament to our advisers' skill in knowing how to deliver the right advice and best support to clients, regardless of issue or circumstance.

As well as making a critical difference in problem resolution, our advice does more than just solve a problem: it can reduce stress, improve finances and stabilise housing or employment.

Interestingly the positive impacts are not restricted only to clients whose problems are solved: clients report that the provision of advice generated these benefits even when problems were not resolved.

We also have significant impact where clients' experience greatest need: the most significant is around mental health. Additional research also showed an improvement in clients' average mental well-being scores, which can be well below the national average before advice<sup>3</sup>.



**2 in every 3**  
clients will have their  
problem solved<sup>2</sup>



**78% of our clients**  
said they would not  
have been able to  
resolve their problem  
without us<sup>4</sup>

<sup>2</sup> National outcomes and impact research, 2014: Research representative by problem type, channel of advice, worklevel and client profile.

<sup>3</sup> Using the Warwick-Edinburgh Mental Well-being Scale (WEMWBS), we measured our clients' well-being before and after advice, comparing it to the national mean.

<sup>4</sup> National outcomes and impact research, 2014: 78% is based on responses from clients that received Citizens Advice support primarily. For clients that we referred to another agency as part of our advice provision, 70% said they would not have known to contact that organisation without us.

This demonstrates that we make a positive difference to people's mental well-being, regardless of how they felt prior to advice.

Citizens Advice research has shown that, on average, GPs spend a fifth of their consultation time on non-health matters such as housing, employment, welfare benefits and relationship issues<sup>5</sup>. This leaves less time for other patients' healthcare.

4 in 5 GPs refer patients to advice provision in the community<sup>5</sup>. Our role in resolving problems that impact on health, as well as our outreaches in 600 GP surgeries, may help protect GP time, should clients have otherwise gone to their doctor for advice or support.

## 4 in 5 Citizens Advice clients said our help also improved their life in other ways, such as<sup>6</sup>:



**4 in 5**  
felt less stressed,  
depressed or  
anxious



**1 in 2**  
had more money or  
control over their  
finances



**Nearly 1 in 4**  
had a more secure  
housing situation



**Nearly 1 in 2**  
felt their physical  
health had  
improved



**1 in 5**  
had better  
relationships with  
other people



**Nearly 1 in 5**  
found it easier to  
do their job or find  
a job

<sup>5</sup> Citizens Advice. (2015) *A very general practice: how much time do GPs spend on issues other than health?*

<sup>6</sup> National outcomes and impact research, 2014.



# Debt advice

Having manageable finances is vital: it underpins everything else in a person's life. For many reasons, people can struggle with financial commitments<sup>7</sup>. When problematic debt escalates, the problems are more than financial: individuals stand to lose their homes, jobs and struggle to afford to live<sup>8</sup>. The resulting impact on mental well-being is severe. Furthermore, 1 in 2 seeking debt advice have an identified mental health condition<sup>9</sup>. We see people across the debt spectrum – from first arrears, through to bailiffs at the door. Our aim is to stop escalation, stabilising people's finances now and for the future.

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## Helping those struggling with finances

When people come to us with money worries, we help them take stock of their financial situation, plan a budget and negotiate repayments. Creating a credible and affordable payment plan that people can stick to is essential, or they may experience further debt problems. Similarly, we help people avoid turning to high-cost credit as a temporary solution and focus on a long term strategy. The understandable stress associated with creditors' chasing letters and phone-calls can lead people to pay those that shout the loudest first. We play a vital role in ensuring that people pay priority bills such as rent, council tax and fuel payments first – the legal and personal consequences of not doing so threatens their housing

stability and living standards. Where possible, we help people make payments, or negotiate for debt to be written-off where a client simply can't pay, preventing creditors incurring further administrative costs.

## Local Citizens Advice in 2014/2015:



**402,000  
clients**  
with 1.6  
million debt  
problems



**£2.7 to  
£3.8  
billion**  
estimated in  
total value of  
client debts<sup>10</sup>



**2 in every 3**  
clients will have  
their debt problem  
solved

<sup>7</sup> Department for Business Innovation and Skills. (2013) *Credit, debt and financial difficulty in Britain*, 2012.

1 in 5 respondents constantly struggled to keep up with bills and payments or were falling behind, and 12% of households were one or more months behind with at least one bill or credit payment.

<sup>8</sup> National outcomes and impact research. 2014.

<sup>9</sup> MAS and Optimisa Research. (2014) *The Money Advice Service Debt Advice Review 2013/14*.

<sup>10</sup> To find out more about how we've estimated the financial detriment and benefits to our clients, see our full technical annex: *Modelling the value of the Citizens Advice service in 2014/15*.



## Helping individuals where debt has become critical

Debt becomes critical when significant action is being taken by creditors: individuals may be facing legal action, eviction or repossession. At this stage, debt can impact on every aspect of someone's life – individuals and their families could be left with nothing. Specialist 'wrap-around' advice helps identify these threats and target them effectively. The average societal cost of debt is £1,000, giving a sense of the level of state intervention needed, such as temporary accommodation, if debt gets to this stage<sup>11</sup>.

**I used to be a self-employed craftsman. Clients didn't always pay on time and work could be slow, so I took out some unsecured loans to tide me over with the intention of paying them back. My circumstances changed: my wife became disabled and unable to work, and I became depressed and was signed off by my GP. I was determined to keep up repayments, even if it meant we went short. We didn't know where to turn to, it was devastating. Citizens Advice organised a Debt Relief Order – we didn't know the rules and regulations, and we couldn't have done the paperwork ourselves. Money is still tight but the weight off our shoulders is unbelievable.**

Andrew, Citizens Advice client

## We estimated we helped:



**90,000  
clients**

successfully rescheduled debts worth a total of £464 million, an average of £5,000 per client



**29,000  
clients**

wrote off debts worth a total of £577 million, an average of £19,000 per client

11 Legal Services Research Centre. (2007) *A Helping Hand: The Impact of Debt Advice on People's Lives*.

# Benefit and tax credit advice

Benefits and tax credits are a lifeline for many people, providing a social safety net when a job is lost, employment income isn't sufficient to meet people's basic needs or they are unable to work due to personal circumstance. Such payments are designed to ensure people can make housing payments, heat their homes and pay for food – not being able to do this has far greater consequences for individuals and the public purse. The welfare system is essential, but also complex: it isn't always clear when or how to manage a claim. This is particularly true whilst welfare reform is changing the way the way people manage a claim, for existing and new users.

**I fell off a ladder at work and broke both my ankles. I received incapacity benefit until I was declared fit for work. I was pleased to be given the all clear and wanted to get a job. I visited companies to see if they have any work and regularly checked the papers, but had difficulty logging my applications online. As a result, I was sanctioned for six weeks – leaving me with no money and no electric. I went to Citizens Advice, and after explaining what happened, they helped get the sanction overturned. I don't know what I would have done without them.**

Terry, Citizens Advice client

## Local Citizens Advice in 2014/15:



**636,000**  
**clients**  
with 1.8 million  
benefit or tax credit  
problems



**2 in every 3**  
clients will have  
their benefits or  
tax credit problem  
solved

## We estimate that we helped:



**84,000**  
**clients**  
successfully  
claim one-off  
awards for  
back payments,  
worth a total of  
£187 million, an  
average of £2,200  
per client<sup>12</sup>



**273,000**  
**clients**  
gain a new award  
or an increase  
to their benefit  
worth a total of  
£1.75 billion, an  
average of £6,400  
per client  
(per year)<sup>12</sup>

<sup>12</sup> The financial value of ongoing benefit payments are annualised and the amount reported is for a single year regardless of benefit type.

## Helping people understand eligibility and entitlements

Our service provides a vital role in answering questions about entitlements, helping people understand their eligibility rights as well as their responsibilities. A significant portion of benefits and tax credits support those in work and these recipients need to understand how claiming a benefit affects other aspects of their life, such as how much tax they need to pay. Forms and application processes can be challenging, especially for people with limited-capacity or who are unable to get online, and we help people ensure that they are following key processes correctly.

Maximising available income for those facing real difficulties in their lives – limited and unstable income, poor health and changing circumstances – is often part of the way we help clients who come to us about other problems. Personal choice, administrative difficulty and a lack of knowledge or access to information about eligibility means that not everyone takes-up the benefits they are entitled to<sup>13</sup>. Such payments could have helped reduce financial difficulty, promoted inclusion, and benefited the economy<sup>14</sup>. Ensuring individuals are able to get on with their lives prevents the need for more critical and costly intervention by the state should someone fall into debt, ill health or become homeless.

## Helping people when they experience a problem

If a claim is disputed or changed, such as the changing of eligibility criteria or when someone is sanctioned, this can leave people without any income for an extended period of time, unable to support themselves and their dependents. The effects of this can be acute: they can be forced into debt, lose their home and have no money for food. At this crisis-point, we work with our clients to manage the immediate detriment, helping them stay in their homes and access food banks. We also work to understand what is happening with their benefits payment.

13 Department of Work and Pensions. (2015) *Income-Related Benefits: Estimates of Take-up – Financial Year 2013/14*. For example, in 2009/10 an estimated £7.5-12.3 billion was left unclaimed [DWP (2012) *Income Related Benefits: Estimates of Take-up in 2009/10*].

14 Eurofound. (2014) *Access to benefits, Unpublished Working Paper*.

# Housing advice

Not having access to secure, stable housing that meets basic needs can put people's lives on hold: it affects their ability to work, stay in good health and to look after their family<sup>15</sup>. Housing problems can arise regardless of housing type and quickly escalate – from deteriorating landlord relationships through to difficulties making payments. Our knowledge of legal rights and local processes is vital, especially in helping de-escalate situations where someone might lose their home.

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## Managing accommodation that leads to poor living standards

There can be a damaging effect on people's lives and health when their accommodation doesn't meet adequate standards or their needs<sup>16</sup>: either because a landlord hasn't made repairs or a homeowner can't afford to. 1 in 6 privately rented homes are physically unsafe<sup>17</sup>, and moving might be too costly an option for many.

With disputes, we inform tenants of their rights but also their responsibilities, such as continuing to pay their rent. We aim to bring about an informal resolution where possible, facilitating the right conversations with landlords. If this doesn't work, we help them get support from the local authority which enforces such issues. For homeowners, we help them consider their financial options.

## Managing a situation where someone could be made homeless

Being made homeless has a devastating impact and the state often has to step in – either through local authority funded temporary accommodation or as social services – to an estimated cost of £24-30,000 per person<sup>18</sup>. We assess whether threatened evictions or repossessions have a legal basis and if due process is being followed. Where action is due to arrears, we help manage these debts and prevent eviction, especially with social landlords. 48,500 people came to us last year with threatened homelessness. We help clients assess their options, including any right to challenge. We also prevent individuals taking action which makes them ineligible for rehoming. Our local understanding is vital as local authority homelessness duty criteria varies.

**When our son died, we moved to help our daughter in-law care for our grandchildren. In need of rented accommodation, we paid an agent £395 in admin checks. We were due to sign the tenancy, but found numerous hidden fees which we couldn't afford. The agent refused to return our money, causing us much worry. After being helped by Citizens Advice, we got all of our money back.**

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Keith and Gillian, Citizens Advice clients



**245,000 clients**  
with 440,000 housing  
problems in local Citizens  
Advice in 2014/15



**2 in every 3**  
clients will have their  
housing problem solved

<sup>15</sup> National outcomes and impact research, 2014.

<sup>16</sup> Shelter. (2006) *Chance of a lifetime: The impact of bad housing on children's lives.*

<sup>17</sup> Citizens Advice and New Policy Institute. (2015) *A nation of renters.*

<sup>18</sup> Department for Communities and Local Government. (2012) *Evidence review of the costs of homelessness.*

# Employment advice

People need to be in work that is safe and secure in order to maintain housing payments, afford to live and support their families. When it is not, this can affect an individual's ability to get on with their job, leading to a lack of productivity at work and potentially time off due to work-related stress<sup>19</sup>. Issues that are mismanaged can lead to a deterioration of the employer-employee relationship, potentially forcing someone to leave or lose their job.

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## In work rights: checking basic rights

In a changing labour market, not everyone has a contract with plainly written terms and conditions. People come to us when this is not yet a problem: they may simply want to check basic facts about what they can expect from their employer. For instance: what are reasonable working hours, should they expect paid holiday, or what happens if they fall sick for an extended period. When checking basic rights, people can often self-help including online, but where a problem has arisen additional support is needed. We advise people on how to frame conversations with their employer, helping them assert their rights without damaging the employment relationship. This effectively stalls potential problems in the making, enabling people to get on with their jobs and their lives.

## In work problems: managing disputes and grievances

When someone comes to us about a dispute or grievance problem, we help them diagnose the issues and take appropriate action including identifying unrecognised signs of disciplinary action. The right process must be followed by an employer, and we help individuals formally and informally challenge circumstances where it has not. This provides people the opportunity to mend relations or to start looking for alternative employment, reducing the chances of unanticipated unemployment. Where a client has been dismissed, we provide guidance about their likelihood of being able to appeal or challenge this decision. Given the increased cost of employment tribunals, individuals need an honest answer about the chances of legal action being successful and if they'll be paid out at the end.

**My employer wanted me to change from a zero-hour contract, to become self-employed. I went to Citizens Advice and they helped me understand what that would mean for me. This included explaining my liabilities: I'd be responsible for my tax and national insurance payments. Knowing this, and also now my employment rights, I decided against signing the new contract.**

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Melanie, Citizens Advice client



**212,000 clients**

with 380,000 employment problems in local Citizens Advice in 2014/15



**2 in every 3**

clients will have their employment problem solved

<sup>19</sup> Centre for Mental Health. (2007) *Mental health at work: developing the business case*.

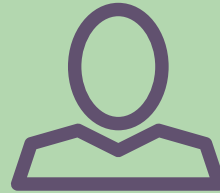
# Consumer advice

Consumer issues, large or small, can affect anyone<sup>20</sup>. They leave people out of pocket, negatively impacting on household finances, especially where resources are already stretched. There is often a lack of knowledge about consumer rights and responsibilities – many are not even aware that they are losing money. As the statutory consumer champion, we have an unparalleled wealth of information about the problems that consumers have, and our advice and policy work with consumer issues reinforce each other.

**I'm so glad that I went to my local Citizens Advice to get help regarding a bill my energy supplier sent me for £556 despite the fact that I'm on a prepayment meter. With the help of the adviser the issue was resolved – it actually transpired that the meter they gave me was second hand, and the debt belonged to the previous owner. Thank you!**

Emma, Citizens Advice client

## In 2014/15:



**842,500 clients** advised directly by local Citizens Advice and our consumer services on over one million consumer issues<sup>21</sup>



**1 in 2 clients** successfully resolved their consumer problems with our help



**133,000 clients** had a financial gain worth a total of £110 million, an average of £825 value per client



**12.6 million** page views of our online consumer advice

20 Department for Business, Innovation and Skills. (2014) *Consumer Detriment Survey 2014*: 22% of consumers experienced one or more problems with goods and services purchased in any year.

21 Our consumer service is a GB wide telephone helpline and email service, figures presented here are England and Wales only.



## Managing queries about consumer rights and problems

When people encounter consumer problems, it may not be clear how they can redress the cost they've incurred for goods and services that haven't met their needs. They might have been faulty, substandard or misleadingly sold. Products and services can include anything from one-off smaller purchases through to high-ticket items that, if faulty, prevent people from getting on with their lives. For example, 10% of consumer service calls we receive are about second hand cars. If a car is defective, it leaves the owner out of pocket and also unable to get from A to B, incurring further transport costs and potentially jeopardising employment. Our legal knowledge helps clarify individuals' rights, if they have a case for financial compensation, and how to go about resolving their problem.

Helping consumers understand their rights and supporting them to act on them makes it easier for everyone to maintain good practice. We also have the capacity to refer clients directly to Trading Standards, which helps with intelligence gathering about consumer problems and enforcement against bad practice. By addressing consumer complaints and detriment, Citizens Advice plays a role in maintaining consumer trust, which in turn reduces market failures and costs on businesses.

## Managing queries about energy and post

Energy is becoming a pressing consumer issue thanks to the disproportionate cost of fuel to income, leaving an estimated 2.35 million households in fuel poverty in 2013<sup>22</sup>. We help consumers manage ongoing relationships with their energy supplier, such as issues with billing, information and metering. This is crucial when the alternatives are having your energy disconnected or having unaffordable tariffs or bills.

With the transition of Consumer Futures, Citizens Advice is the statutory consumer advocate for energy in Great Britain and postal services across the UK, meaning that it has a number of responsibilities and unique powers in these markets. Our responsibilities include representing consumer interest to businesses, regulators and policy makers, referring companies for breaches of licence, and collaborating with others to develop and implement practical solutions to consumer problems. Our fourth most visited section of our website is pages relevant to people receiving other people's mail, with consumers using our information to self-help.

22 Department for Energy and Climate Change. (2015) *Annual Fuel Poverty Report 2015*: England only.

# Advice on everything

We have outlined above some of the main areas covered by our advice. But we do far more. In 2014/15 we helped 0.5 million clients deal with 0.9 million other problems affecting their lives, such as relationships, immigration, health, education, tax and legal issues.

One of our greatest strengths as a service is the flexibility to deal with most issues that come through our door. We have the knowledge and experience to be both generalist and specialist in our advice provision, managing the way people's problems can interact and overlap.

We aim to de-escalate problems, reduce associated detriment and improve financial stability. Following advice, 84% of clients report an improved understanding of their rights and responsibilities<sup>23</sup>. Putting clients' needs at the heart of decision-making means we work in partnership and can refer clients to other organisations so they get the best support.

Even with the broad range of issues our advice might need to cover, we still have the same resolution rate: we solve problems for 2 in every 3 of our clients, regardless of issue.

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## Getting advice online

We believe there is a significant value to society in ensuring everyone has access to free and independent advice, about any issue, at any time. Our online advice pages provide detailed, trustworthy advice on the same areas we cover in our local network: helping people with the issues they face around consumer, employment, debt and money, benefits, discrimination and other legal issues. In 2014/15, we had 47 million content page views.

People use our online advice pages in a way that works for them. Some people use them to self-help, while others use them to understand options available to resolve their problem and then seek further help from direct services.

We're committed to delivering online content that meets our users' needs, allowing people to resolve their problems efficiently and in a way that empowers them. We're currently undertaking research with users to better understand why they use our online service, what information they really need, and how we best can communicate what they need to do to solve their problem.



23 National outcomes and impact research, 2014.



# Educating people for the future

## Helping people stabilise their finances and maximise their income

The majority of our clients face significant financial challenges and come to us to help them address these issues. We endeavour to support them to deal with their financial situation regardless of their problem type, especially where money is already tight and needs to be carefully managed.

Our advice provision often integrates checking a client's finances, finding ways to maximise their income and providing some form of financial capability training. We also provide specific capability sessions, working with clients in groups or individually. In addition we train frontline workers, such as those from local authorities and housing associations, to cascade learning to clients they work with.

Ensuring consumers – especially those at risk of fuel poverty – make informed decisions about their energy supply is another vital component of healthy finances and maximising income. In 2014/15 we provided Energy Best Deal group sessions to 1,370 clients and 4,900 frontline workers, many of whom would be considered vulnerable (due to low income, pensionable age, child dependants and health status).

The role of our education provision is to build clients' skills and confidence to better manage their circumstances, avoiding future problems through greater knowledge of their rights and responsibilities. Improving client capability and personal circumstances helps empower individuals, making them more resilient and less at risk of similar problems in the future.

We've undertaken a number of specific evaluations into our education projects. One study found that clients receiving financial capability training from us were on average £10 a week better off than those in a control group who had not received support<sup>24</sup>. We are currently developing a broader set of financial capability outcomes indicators to enable us to consistently and robustly and reliably measure our impact on our clients' financial capability. The evidence from this work, coming from our national client base, will be pivotal to improving best practice for financial capability education interventions in the UK.



**175,000**  
**people**  
benefited  
from financial  
skills training  
delivered by  
local Citizens  
Advice



**128,400**  
**people**  
benefited  
through the  
'cascade' effect  
from frontline  
workers to  
clients using  
our financial  
capability  
training

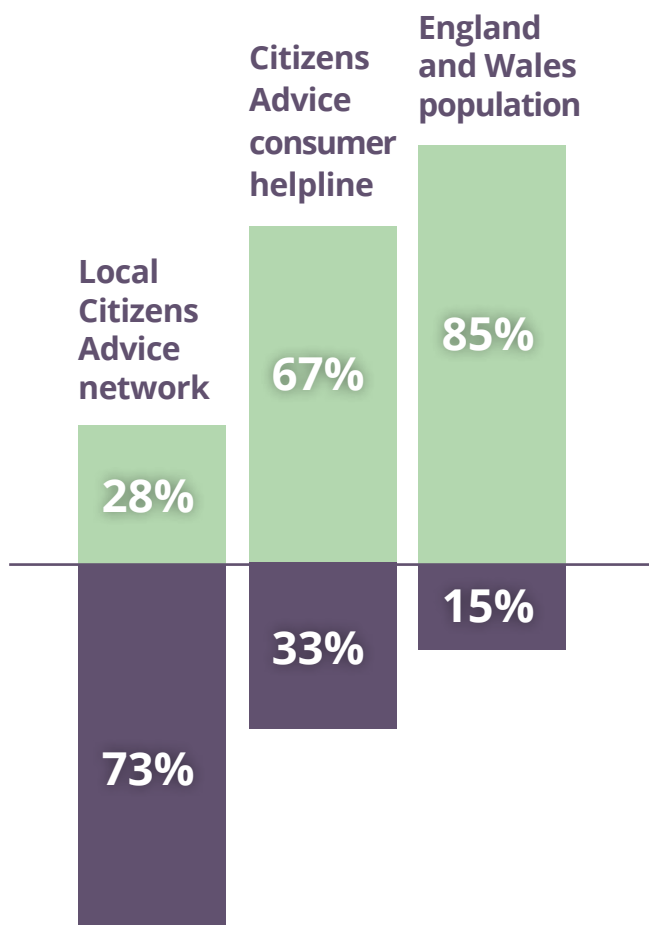
24 Citizens Advice. (2012) *Quids in: the impact of financial skills and training for social housing tenants*.

# Our work makes a difference for those most in need

We are here to help everyone in society who needs us. By providing advice through our website and consumer helpline we help a broad spectrum of our society. But the clients we support through our network are often some of the most disadvantaged members of society and those most in need.

There are often greater risks associated with allowing these clients' problems to escalate to the point of state intervention. Enabling them to make material differences to their lives helps mitigate the social inequalities that give rise to health inequalities<sup>25</sup>.

## UK low-income threshold:



## Low income

- Local Citizens Advice clients are almost five times as likely to live on a low income than an average member of the England and Wales population.
- Our local network reaches almost one in every five (17%) of the 8.6 million individuals<sup>27</sup> living on a low income in England and Wales.
- Consumer helpline callers are twice as likely to live on a low income than an average member of the England and Wales population.
- Their lack of access to affordable credit means they pay an annual £1,000 'poverty premium' for essential goods and services, cutting into already tight finances<sup>26</sup>.

1.4 million of our clients are therefore on an income considered inadequate for their household, and are therefore unlikely to be able to afford to eat healthily, maintain adequate accommodation and participate in society.

- 46,000 clients were advised on energy-related consumer problems and/or fuel debt. Being in fuel poverty and not being able to keep warm has significant health implications.
- 37% of clients advised on debt or benefit had dependent children. Poverty has a detrimental impact on child development, and their life prospects.

25 The Marmot Review. (2010) *Fair Society, Healthy Lives*: This review provides clear evidence that people in lower socioeconomic groups have less chance of leading a healthy life than those in higher socioeconomic groups.

26 Strelitz, Jason & Kober, Claire. (2007) *The Poverty Premium: How poor households pay more for essential goods and services*. Save the Children.

27 Department for Work and Pensions. (2015) *Households Below Average Income*.

## Disabled and long term health conditions

The Citizens Advice service also sees a high proportion of clients who are disabled or have long term health conditions: 37% of clients.

These clients are at greater risk of social exclusion, and are more likely to report experiencing a problem than on average. Our research also shows that they are likely to experience greater detriment as a result of a problem, as well as feel less confident about knowing how to resolve their issue<sup>28</sup>. Disabled people are also at risk of discrimination, either in being able to gain or maintain employment, or being able to access everyday goods and services.

## Discrimination

Discrimination comes in all shapes and sizes. It can be a one-off experience when using a business or public service, through to ongoing problems in the workplace. It isn't always easy to spot – a prevalent lack of understanding of basic rights doesn't help – which makes knowing when to access advice and support harder.

Helping clients understand and challenge discrimination is vital because it ensures that people aren't penalised unjustly, that there is equality of access and prevents others going through similar experiences by stopping bad practice. Put simply, it keeps society fair. It also prevents associated negative consequences: 78% of people with problems involving discrimination report wider effects such as loss of a job or home – 52% report resulting health problems<sup>29</sup>.



**1.25 million**  
people in England  
and Wales will  
experience  
discrimination  
over an 18 month  
period<sup>25</sup>



**680,000**  
online page  
views about  
discrimination;  
14,000 clients seen  
with 20,000 issues  
in local Citizens  
Advice



**1 in 10 clients**  
felt discrimination  
was part of  
their problem –  
nearly 1 in 3 for  
employment  
problems<sup>24</sup>

28 National outcomes and impact research, 2014.

29 Pleasance, Pascoe and Balmer, Nigel. (2011) *Discrimination Problems in England and Wales*. PPSR.

# In focus: research and campaigns

## We aim to improve policy and practice

We help people solve problems and move forward with their lives. However some problems are too difficult to solve by advice alone, often where there is a systemic issue with a market, a policy or a set of regulations.

This is why our research and campaigning functions are so important. By listening closely to the people who come to us, using our real-time data and gathering insight and intelligence from clients and frontline advisers, we spot emerging issues and policies, practices and regulations that are not delivering for society. Our local reach means we understand the issues affecting people all over the country. And our national network means that together we have the voice to really change things.

We use our clients' experience and evidence to research and campaign for positive change with both the public and private sector. This involves publishing evidence reports, expressing views through national and local media, responding to consultations, working with regulators, giving evidence to select committees and providing briefings for MPs, Welsh Assembly Members and local councillors.

**It is through these relationships [with Citizens Advice] that the FCA is able to gather vital intelligence and information in relation to the issues affecting consumers. Ultimately this enables us to better shape our regulatory work to mitigate any consumer detriment these issues may cause.**

Financial Conduct Authority



# What we've achieved this year

## Credit brokers

Credit brokers offer a service to find the best loan by looking at what's available on the market. The number of problems with credit brokers rose significantly in 2014/15, leading us to research what was going wrong. Problems mainly focused on fees being taken without loans being available, and client data being sold without consent, incurring further costs through additional unsolicited fees.

We alerted the Financial Conduct Authority (FCA), providing them with consumer intelligence and a detailed report on detriment caused by credit brokers. Based on our evidence, in December 2014 the FCA announced that they were imposing new rules on credit brokers due to the scale of the detriment caused to consumers. They also stopped seven credit brokers from taking on new business and were considering enforcement action against a further three firms.

## Payday loans

In just four years we saw a ten-fold increase in debt clients with payday loans. Using such evidence from our network, we were able to spot earlier than other organisations that this was a growing problem. We were also concerned about the practices used by payday loan companies. Due to the breadth of the Citizens Advice service we were able to accumulate evidence of bad practice, high fees and resulting debt, from across local Citizens Advice, which we compiled and presented to regulators and the Government.

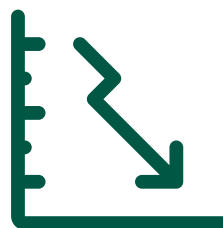
As a result of our campaign, there is a cap on the cost of payday loans, aggressive adverts have been banned, and the FCA is now regulating the industry tightly to protect customers.



**300-600,000 people** would have otherwise been affected each year<sup>30</sup>



**£100** on average would have been lost per person affected<sup>30</sup>



**Over 6 months** payday lending problems presented to Citizens Advice have halved since the regulation changes



**£5-15 million** is the conservative estimate of the potential benefits of the changes, but could be as significant as £24-48 million<sup>30</sup>

<sup>30</sup> Financial Conduct Authority. (2015) CP15/6: Consumer credit – proposed changes to our rules and guidance.

## Retaliatory evictions

Retaliatory eviction, when private renters are evicted for complaining about poor housing, has been a long standing issue for the Citizens Advice service. Last year, more than 230 people came to us every day about a problem with private renting. We first highlighted this growing problem back in 2007.

Since then, we have continued to lobby Government about this issue, by raising it with MPs, through the media, and as part of our *Settled and Safe* campaign<sup>31</sup>. In 2015, we helped to draft an amendment to the Deregulation bill to protect tenants against retaliatory eviction. We used evidence from our network to brief peers and MPs and strengthen the case for the amendment.



**213,000 private renters**

were evicted in retaliation last year, estimate Shelter<sup>32</sup>



**Private renters**

are now legally protected from retaliatory eviction as a result of our campaign and longstanding work on this issue

## Prepayment meter customers

Energy customers who pay via a prepayment meter often face higher costs, poor customer service and an increased likelihood of disconnected from their energy supply. Our research shows 16% of prepay customers are cut off from energy over the winter months<sup>33</sup>, while this group pays on average £226 more than online direct debit deal customers<sup>34</sup>.

We have engaged energy suppliers and developed evidence for our campaign to improve prepayment customers' situations. We brought together the heads of more than a dozen major energy companies along with the Energy Minister at a private event to agree steps which could be taken to protect these consumers. Local Citizens Advice contributed to this event with case studies and interviews explaining clients' perspectives directly to the industry and minister.

Energy suppliers have now signed up to our consumer demands, to improve the service offer and experience of prepayment customers<sup>36</sup>.



**11 million** people in Great Britain live in households that pay for their energy with prepayment meters<sup>35</sup>



**£6 million** of misdirected payments have been placed into trust funds to help customers

31 Citizens Advice, Settled and safe campaign: [citizensadvice.org.uk/about-us/campaigns](https://citizensadvice.org.uk/about-us/campaigns)

32 Shelter, March 2014. Press release.

33 Citizens Advice. (2014) *Topping-up and dropping-out: self-disconnection among prepayment meter users*.

34 Citizens Advice, July 2015. Press release.

35 Estimated based on total prepayment meter numbers [Ofgem. (2014) *Domestic suppliers' social obligations: 2013 annual report*.]; three-quarters estimate of customers with both gas and electricity prepayment meters [Consumer Futures. (2013) *Self Disconnection Omnibus*]; and ONS average household size.

36 Citizens Advice, Fair play for prepay campaign: [citizensadvice.org.uk/about-us/campaigns](https://citizensadvice.org.uk/about-us/campaigns)



## Bills from stolen mobile phones

Citizens Advice analysis found that bills accrued for consumers when their mobile phone had been stolen, could reach up to £4 million<sup>37</sup>. Our network reported that bills of anywhere from £160 to an extreme of £23,000, had been faced by individual clients. Using evidence from our network and research from our policy team, we reported this problem to the Department for Culture, Media and Sport.



### **£100 cap**

on stolen mobile phone bills has been introduced, protecting thousands of consumers from unplanned and unjust bills

## Employment and support allowance (ESA)

ESA is the biggest single issue reported to our network by Citizens Advice clients, with over 294,000 issues seen last year. A major problem clients faced was the cost of obtaining medical evidence from GPs to support their claim. Research with GPs showed that 76% of practices charged for medical evidence with an average cost of £25<sup>38</sup>.

We engaged with DWP to improve the ESA claim form, application process and provision of medical evidence, resulting in less need to pay for specific records.

We also engaged with medical bodies and the assessor, Maximus, to improve training around collecting and using evidence.



### **Our engagement work**

with the DWP has resulted in a more efficient process and a better client experience

## Employment tribunals

Employment tribunals (ETs) are the main mechanism through which employees can enforce their employment rights. The number of clients we see in person about ETs has fallen recently, partly as a result of the introduction of fees in April 2013. The new system of fees, which charge users between £390 and £1,200, is accompanied by a system that offers full or partial fee reductions to applicants on low incomes.

Our research found that many potential applicants were put off applying for fee reductions due to the 32 page document and eligibility checks<sup>39</sup>. We presented findings to the Ministry of Justice who have redesigned the form, made it easier to apply, reduced it to four pages and renamed it 'Apply for help with fees'.



**6,000 people**  
this year could benefit from the changes to application forms we suggested<sup>40</sup>

37 Citizens Advice, December 2014. Press release.

38 Citizens Advice. (2014) *GP attitude and practices relating to the provision of medical evidence as part of the ESA claim process*.

39 Citizens Advice. (2015) *Fairer fees*.

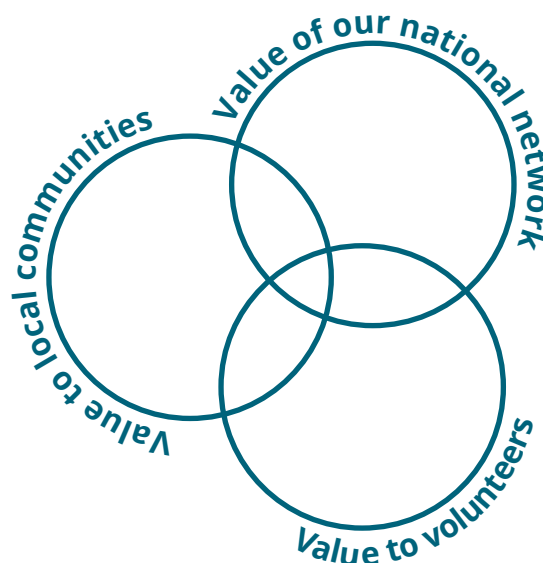
40 Ministry of Justice. (2013) *Court and Tribunal Fee Remission Reform – Impact Assessment*: 31% of claimants would be eligible for fee remissions.

# In focus: how we work

## This creates additional social value to society

We create benefit to society through the way we deliver our services, in addition to the impact our principal activities have on clients' lives.

This is our social value, which encompasses the benefit of working with volunteers, our support for local communities and our national network. It covers what is most unique about the Citizens Advice service, and the extra value that would be lost to society if our service and core work were removed from communities.



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## The power of being a national network

Together, we are greater than the sum of our parts. We come together as a network to do more, be it to campaign on big issues, inform national policy or connect people with society.

Each local Citizens Advice benefits from being part of a national network: we are a household name, and clients access a well-known and trusted service. Our national infrastructure gives local Citizens Advice access to additional support and services, adding to their credibility. Local Citizens Advice also support each other, sharing knowledge so that we best support our clients.

As the central organisation, Citizens Advice use the data from all our services to identify national issues and trends, to better understand our clients' needs and to demonstrate to government and regulators the impact of policy or legislation.

Citizens Advice strives to ensure the network is as effective as possible, by maximising the resources we have available. We carry out rigorous evaluation to understand how our advice benefits clients. Investing in understanding 'what works' ensures our services deliver the greatest impact to our clients.

Services flexibly respond to local need, and we have minimum standards across the network, ensuring that clients can expect the same consistent quality of support. With a clear focus on quality and outcomes, we have been diversifying the channels we provide advice from, and the systems and processes we use, testing and evaluating approaches as we develop.



### To learn more

about the role of Citizens Advice and achievements in 2014/2015, see this year's annual report and accounts.



# Working within local communities

We act as one service, with one vision, yet are rooted in each and every community across England and Wales. Local Citizens Advice have provided an independent local service for over 75 years, gaining a deep and credible understanding of community needs. We can access up-to-the-minute data on local issues from our daily interaction with our clients. We use our knowledge of issues and solutions to tailor our advice provision, helping clients navigate local systems such as council tax support and local housing processes more effectively.

Our structure enables us to be flexible and varied in our service delivery across our network, using our insight to respond specifically to local need, benefiting local people and government.

- We have the ability to share our insight and inform local decision-making.
- We aim to create sustainable links between public, private and third sector organisations, including sharing resources and working practices. We also deliver our services from locations such as GP surgeries, libraries, and local authority offices, making it easier for clients to access relevant services.
- We're also well-placed to recognise emerging local problems. If we're not in a position to solve a problem immediately, we use our insight to campaign locally to change policies and practices.



**99%**  
of local  
authorities in  
England and  
Wales have a  
local Citizens  
Advice or  
outreach  
service



**99.7%**  
of people  
in England  
and Wales  
live within  
30 minutes  
drive of a  
local Citizens  
Advice,  
including rural  
areas

# Our value to volunteers

Our 21,600 volunteers come from a wide range of backgrounds and are vital to the way we deliver our service, allowing us to reach many more people than if we were purely staff-run. We invest in their development, ensuring that each volunteer is fully prepared for their role, and that our clients receive quality advice and support.

There are also considerable benefits to our volunteers. For example, all gain at least one practical skill (such as IT skills, customer service and team-work)<sup>42</sup>. Such improvements have knock-on effects for society, through happier, healthier and more productive citizens. We reduce the barriers to moving into work: 8 in 10 unemployed volunteers believe volunteering with us is helping them to move into employment, education or training<sup>42</sup>.

9 in 10 of our volunteers feel better equipped and empowered to deal with issues in their lives<sup>42</sup>. Additionally, stopping work can have detrimental effects to older people's well-being, but all our retired volunteers believe volunteering keeps them mentally active<sup>42</sup>. This has a value in contribution to society, and reduced costs of provisions for those that otherwise might have required state support.

3 in 4 of our volunteers feel better equipped to be an advocate for their community<sup>42</sup>. With so many local volunteers, this strengthens communities and brings people closer together, improving social cohesion and giving people a greater stake in their community.



**£111 million**

worth of volunteering hours donated by our 21,600 volunteers<sup>41</sup>



**31% of our volunteers**

leave for paid employment

**I started volunteering with Citizens Advice in 2011 and since then have gained skills I was unaware I possessed! I thoroughly enjoy my varied role: advising clients in the local office, on home visits and responding to advice emails. I also work with Healthwatch, giving information to those who have issues with health services, like the NHS. It's been an incredible journey and truly rewarding.**

Frances, Citizens Advice volunteer

<sup>41</sup> We've provided figures from 2013/14, ahead of 2014/15 figures being available in late summer.

<sup>42</sup> Citizens Advice. (2014) *CAB volunteering: how everyone benefits*.

# Measuring our value

## Estimating the financial value of the Citizens Advice service

In 2014/15 the Citizens Advice service received £239 million in funding<sup>43</sup>. This is a provisional figure covering all that we do, running and staffing local advice centres, telephone call centres, developing our website, and our corporate roles including research and campaigns. Funding comes from central government, the Welsh Assembly, the Money Advice Service, local authorities and a range of other funders.

This report has demonstrated some of the many ways that the Citizens Advice service delivers against this funding and contributes to society, through helping people find a way forward. But how do we determine the value of this, and how have we come to such conclusions?

Central to how we conceive our value is a simple premise: we create value through the positive impact we have on individuals' lives, which in turn benefits local communities and society. These individuals might be our clients, or members of the public who benefit via our research and campaigns work, or our volunteers.

We have looked at where we can put a financial value on our work with these individuals, using a cost benefit tool created by New Economy Manchester<sup>44</sup>. This has been developed with and approved by HM Treasury economists to ensure that the methodology is robust and it takes account of the most up to date

research and data. The model considers the following types of benefit:

- Fiscal benefit: financial savings to local and national government.
- Public value: economic and social benefits.

It is impossible to put a value on everything that we do and every way we help our clients. Therefore we have identified some of the main areas where we can show we have a positive impact and where there is evidence appropriate to the New Economy Manchester model.

In addition, using our management information and impact research, we've separately considered the financial outcomes to individuals, primarily through income gain, benefit entitlement, debts written-off and consumer problems resolved.



43 Annual report and accounts from Citizens Advice and each local Citizens Advice detail the funding bodies and amounts.

44 Available at: [neweconomymanchester.com](http://neweconomymanchester.com)

# The value of advice provision

Our advice and support helps to prevent detriment occurring or escalating further. For example through giving employment advice we may help the individual to maximise their income. We might prevent the person from falling out of work and onto benefits thus saving government money. We may help the individual's mental well-being as well, preventing costs to GPs, the health service and boosting productivity in the work place. Ensuring that clients have the income they need to maintain a good standard of living, targets the social determinants of health, and reduces the likelihood they will have to turn to high-cost credit to keep up with rent and utilities. This income is also spent locally, benefiting local communities<sup>45</sup>.

The main arguments where we can evidence our financial value concern:

- Keeping people in employment or helping them back to work.
- Preventing housing evictions and statutory homelessness.
- Reducing the demand for mental health and GP services.
- Improved mental well-being.
- Improved family relationships.
- Some of the financial outcomes that accrue directly to individuals.

Our modelling also allows us to show how fiscal savings are attributed to specific government departments, for example:

- £163 million to Department for Work and Pensions through reduced out-of-work benefits
- £47 million to Department of Health by reducing the use of health services

- £57 million to local authorities through preventing cases of homelessness. This is only a fraction of our true value to local authorities: there is significant benefit in helping clients negotiate local processes, such as welfare reform changes, and managing debts owed to local government.

## Savings to local and national government (fiscal benefits)



**£361 million** reduction in health service demand, local authority homelessness and out-of-work benefits

## Wider economic and social benefits (public value)



**£2 billion** improvements in health, well-being, participation and productivity

## Value to the individual (financial outcomes)



**£2.6 billion** income gained through benefits and debts written-off and consumer problems resolved

<sup>45</sup> New Economics Foundation. (2002) *The Money Trail*. This sets-out the local multiplier effect, including the value of income maximisation in local spending through increased benefits take-up.

# The value of volunteering

Our continual investment in our volunteers' development ensures our clients receive quality advice and support. It also has tangible benefits for volunteers and society, through happier, healthier and more productive citizens.

The main financial arguments concern our role in enabling volunteers to:

- Move into work through the experience and confidence gained during their time at a local Citizens Advice.
- Develop new skills that can lead to better salaries and employment prospects.
- Better manage mental health conditions, such as depression.
- Improve their self-esteem, reduce isolation and increase their ability to get on in their lives.
- Improve community relationships, through increased community trust and sense of belonging by working with local people.



**21,600  
volunteers**

We enable people from a wide range of backgrounds to volunteer



**£111  
million  
worth of  
hours**

donated by our volunteers – we would not help as many clients as we do without our volunteers

## Our estimate of the value of the Citizens Advice service in terms of volunteering:

### Saving to local and national government (fiscal benefits)



**£271,000**

reduction in health service demand and savings to HMRC

### Wider economic and social benefits (public value)



**£100 million**

improvements in health, well-being, participation and productivity

# Our value is likely to be greater

## What we haven't monetised

In this report, we haven't tried to monetise everything, sticking instead to what we know and can firmly evidence, utilising credible costings and proxies to illustrate our value to society. There are many other outcomes to individuals and society from our work which have value, but these can be hard to put a financial figure on.

Establishing a counterfactual for if the Citizens Advice service wasn't here is difficult because we are so closely associated with how people seek advice and support, and are an embedded part of local communities. We have assumed that half of our impact is deadweight. In other words, in half the cases the situation would have got better, or resolved itself without us. This is a conservative assumption, as our evidence shows that only 20% of clients suggest they would have been able to resolve their issue without our help<sup>46</sup>.

This is also true when considering the social value of how we work:

- We play a vital role in the communities we work in, but what this looks like in practice can alter dependent on local need. This is a real strength of our service, but makes producing an average financial value difficult.
- The way our network works together, and the additional benefits to individuals of getting advice from a local centre with a national infrastructure, is equally difficult to put a value on.

### Advice

We have not included:

- Benefits to local government of helping clients negotiate local processes, such as welfare reform changes, as well as our role in helping local authority rent and council tax arrears to be rescheduled and reducing the associated administrative costs.
- Maximising clients' income, which has further spillover effects including for individuals' families, benefiting health and well-being and contributing to local communities and economies.
- Averting the detrimental costs associated with the impact on health of unsafe and substandard living conditions.
- The estimated £464 million of debts we successfully reschedule, benefiting those clients and also the creditors of debts being repaid where they might not have been, and averting the cost they would have incurred chasing them.
- Financial gain for individuals from charitable funds, or goods and services in kind, as well as financial outcomes associated with housing, employment, relationships or other problems.
- Keeping families together, preventing suicide and working with victims of domestic violence.
- Providing advice online to 20.7 million visitors.

We've also only monetised our impact for one year, but these kinds of impact have long running positive benefits for the individuals involved and the state.

46 National outcomes and impact research, 2014.



## Education

We have not included any of the benefit of our education work in our financial estimate. By educating and empowering clients we hope to mitigate some of their financial instabilities, helping the client to make informed decisions about their energy and wider finances, such as:

- Reduced energy bills and avoiding detriment associated with fuel poverty.
- Avoiding the detriment associated with problem debt, through making informed decisions and increasing financial stability for the future.

Evaluations of specific education projects have given us an initial understanding of their impact<sup>47</sup>. We're now developing specific measures to understand in more detail the short and long-term impact of our educational activities.

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## Research and campaigns

This report has not included the financial benefits brought about by our extensive research and campaigns work, both locally and nationally. Putting a financial value on this type of work is difficult for many reasons:

- We build a detailed understanding of issues, how they affect lives, and continually engage with policy-makers and regulators, such as our work with Trading Standards. In these cases, there aren't always readily available success measures.

- We play a collaborative role in achieving policy and practice change: providing evidence to policy-makers and working alongside others to campaign for solutions. We therefore can attribute some of the impact to our work, such as the commitment to increase support available for parents with the cost of childcare.
  - Our previous research and campaigns work still benefits consumers today, such as security of tenancy deposits, the total cost of credit cap on payday loans and compensation and redress of mis-sold PPI.
  - Through our campaigns, we give our clients a voice. This includes our recent work ensuring clients were registered to vote in the general election, and our ongoing work on experiences in the labour market. There is simply no measure to illustrate the power of this – it is unique.
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## Future impact research plans

Covering the sheer breadth of the work of the Citizens Advice service is no simple task. Our Impact team will take this work forward over the coming years, exploring how we can measure the impact of our education and campaigns work, and extending our understanding of the impact of advice.

47 Citizens Advice. (2012) *Quids in: the impact of financial skills and training for social housing tenants*.

# Moving forward...

## Our recommendations

Free, independent, confidential, impartial advice makes society better. Every year it is essential for millions of people to overcome their problems.

Advice is also highly valuable. Every pound spent on the Citizens Advice service saves the taxpayer at least £1.50. It also boosts individuals' incomes, and benefits society through better health, confidence and participation.

It is vital that Citizens Advice is able to continue to offer free advice in every community, on a full range of issues, through a range of channels, so it is available to everyone who needs it.

Central and local government must therefore maintain funding for the Citizens Advice service, and consider the social and economic benefits of increasing investment.

We are the first port of call for millions of people across England and Wales and have the infrastructure to adapt to their changing needs. Likewise we have the agility to respond to the ever increasing demand for advice, despite the significant pressures on our services locally.

We've recently established new opportunities to help more people. We now deliver pensions guidance and support witnesses in the court system. We work alongside GPs so they can prescribe advice alongside medical care.

Our work as the consumer champion, educating clients to better manage their finances and get the best deals, continues. As does our support for people who are making the transition to universal credit. And we carry on alerting government to any systemic problems our clients experience.

Solving problems and changing lives is in everyone's interest. And so is using our unparalleled evidence and experience to ensure government policy and private markets are effective and responsive to people's behaviour and needs.

### We call on the Government to:

- Increase investment in local Citizens Advice services across the country to capitalise on our unique value.
- Maintain funding for Citizens Advice at a national level to identify and address emerging problems people are facing.
- Ensure Citizens Advice has the necessary resources to prepare and support people as they transition to universal credit.
- Support the expansion of Citizens Advice work in GP surgeries and health settings, to save the NHS money and improve people's well-being.
- Work with Citizens Advice to trial what works in financial capability education: consider bringing together money, debt and pensions guidance, in order to give people the skills to avoid debt and save for the future.
- Collaborate with Citizens Advice to utilise our real-time information and our unique frontline insight to ensure that policies and markets deliver for all.





# Appendix: our evidence

Our understanding of our impact and modelling of our value is underpinned by evidence from our management information and impact research. Our Impact team aim to constantly build on this, through further research and evaluations.

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## Management information

Our daily interaction with our clients, and our centralised CRM and standardised methods of recording and processing details of clients problems, gives us an unprecedented understanding of the issues that are affecting our clients, allowing us to spot high-level trends as well as look at problems in granular detail and how they can interact. It also means we know a lot about the profile of our clients and the nature of their lives, enabling us to understand who it is that is seeking help. We also record the outcomes we achieve for our clients, where these are known.

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## National outcomes and impact research

In 2014, Citizens Advice conducted a large-scale national survey with a representative sample of 2,700 clients. This comprised of a follow-up telephone questionnaire with clients, focusing on the client journey from beginning to end. Respondents completed the survey three to five months after seeking help. This research sample was representative of the overall sample in terms of the type of problems clients had, how they accessed the service and their demographic profile. A margin of error of +/- 2% is associated with key statistics.

## Value of volunteering research

In 2013, Citizens Advice undertook research with our volunteers to find out about the benefits of volunteering with a local Citizens Advice. Nearly 1,500 volunteers and trustees completed online surveys with structured multiple-choice questions. This self-selecting sample is broadly representative of the demographic makeup of our volunteers, and the number of responses provides a statistically-valid representation of volunteer experience. A margin of error of +/- 3% is associated with key statistics.



## Methodology

To find out more about how we've modelled our financial value, we've put together a full technical annex: *Modelling the value of the Citizens Advice service in 2014/15*

## Report authors

This report has been written by the Impact team at Citizens Advice. Significant report authors: Siân Whyte, Hugh Stickland and Tamsin Shuker.

The Impact team is responsible for customer insight research, assessing service effectiveness through evaluating what works, and using our evidence and analysis to understand and demonstrate the impact and value of the Citizens Advice service.

We work with others in the sector around impact and evaluation, shaping approaches and sharing findings.

## Acknowledgements

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[citizensadvice.org.uk/impact-of-citizens-advice-service](https://citizensadvice.org.uk/impact-of-citizens-advice-service)

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