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*Mr Ryan,*

We noted with interest the Commission's Green Paper on Mental Health issues. We believe this has important implications for the consumer credit industry.

FLA is the principal representative of the asset, consumer and motor finance sectors in the UK. Our full members include banks, subsidiaries of banks and building societies, the finance arms of leading retailers and manufacturing companies, and a range of independent firms. The facilities they provide include personal loans, credit cards, store cards, hire purchase and leasing. FLA members provided £68.4 billion (€100.1 billion) worth of new finance to the consumer sector in 2004, which represented 29.6% of all unsecured lending in the UK.

You may be interested to learn that this week in the House of Commons, FLA and Citizens Advice jointly launched, under the Chairmanship of Mark Lazarowicz MP (chairman of the All-Party Group on personal financial services), an education and training film on mental health and debt problems.

The background to the DVD was a Citizen's Advice report published in April 2004 entitled "Out of the Picture" which highlighted the experiences of people with mental health problems in a variety of social contexts including access to the benefits system, employment and financial problems. The film is primarily aimed at raising the profile of the issue of mental health and debt problems with lenders and Citizens Advice Bureaux and enabling them to adopt a more practical approach to making the experience better for consumers.

It is worth considering the inter-action between mental health and debt problems. Mental health difficulties can lead to a range of problems in someone's life and their relationships with others. It will often cause problems with their employment and their ability to manage their money. There is a circularity. Whilst for many people, debt problems can arise as a result of their illness, for others debt problems can be the cause of stress, anxiety and depression.



I enclose for the information of you and your colleagues a copy of the DVD, our press release and some frequently asked questions. If you would like to discuss or require further copies of the DVD then please contact me or my colleague, Edward Simpson ([edward.simpson@fla.org.uk](mailto:edward.simpson@fla.org.uk)).

Kind regards

*Y → [unclear]  
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Enc.



## News-Release

16 November 2005

### MENTAL HEALTH AND DEBT PROBLEMS

One in six people are estimated to experience some kind of mental health problem at any one time. This can cause many difficulties, especially in managing finances and debt.

Now FLA (Finance & Leasing Association) is facing the problem head-on in a project aimed at improving the advice and support offered by finance providers to those with mental health difficulties and debt problems.

In partnership with Citizens Advice it has produced a package of information, including a DVD, to highlight what lenders can do to ensure they respond sensitively, appropriately and fairly to those in financial difficulty and how best to raise awareness with front-line staff and those engaged in debt collection.

The film illustrates how the stress and anxiety of losing a job or going through a divorce can lead to a deterioration in the mental health of many people – a fact underlined by figures from the Office of National Statistics which estimates one in six people will have depression at some point in their life. This can then cause difficulties in managing finances and debt.

"All lenders should behave responsibly and that is particularly important as far as vulnerable customers are concerned," said Martin Hall, FLA Director General. "We are not suggesting in this video that finance providers become doctors or second guess if people have problems. It's about being aware that not all customers are the same and dealing with problems in a positive and sympathetic way."

Teresa Perchard, Director of Policy, Citizens Advice welcomed the initiative. She said: "We are very pleased FLA is taking action to address the problem of mental health by directly targeting those who sell financial services and products and showing how they can improve their responses to people in need. We have found that many of the people we help with debt problems say they cannot cope or are in crisis and a quarter of our debt clients are receiving treatment for stress and depression from their GP"

The film titled *'Money Worries'* has contributions from the Money Advice Trust, MIND, Experian, Bank of Scotland, Bristol University, Citizens Advice and the FLA. It is presented by financial broadcaster, Sara Coburn.

It is being made available by FLA to its members and other finance providers. FLA members provide nearly £70 billion of consumer finance annually.





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**Notes to editors:**

1. The film will be launched at a reception in the Boothroyd Room, Portcullis House, Westminster from 10-11am on Wednesday 16 November. Introduction will be by Mark Lazarowicz MP, Chair, All Party Group on Debt and Personal Finance and there will be presentations by Martin Hall and Citizens Advice.

2. FLA is the principal representative of the asset, consumer and motor finance sector in the UK. FLA members achieved £93.4 billion of new business in 2004. Of this £25.0 billion was provided to the business sector and UK public services, representing over a quarter of all fixed capital investment in the UK in 2004 (excluding real property). The remaining £68.4 billion was provided to the consumer sector and FLA members represented 29.6% of all unsecured lending in the UK.

3. The Citizens Advice service helps people resolve their legal, money and other problems by providing information and advice, and by influencing policymakers. Citizens Advice is an operating name of The National Association of Citizens Advice Bureaux. Information and Advice [www.adviceguide.org.uk](http://www.adviceguide.org.uk)  
Volunteer hotline 08451 264 264 (local rate Mon-Fri) [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

4. If you would like to receive a copy of the video please contact any of those listed below.

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