



THE GREAT BRITISH DEBT TRAP



WEEK OF ACTION TOOLKIT

THE BASICS

Debt Week is a nationwide week of action against the growing debt trap faced by people, families and communities across the UK.

Debt Week will run over two weekends, so that we can maximise time for organising activities!

It starts on Saturday 27 October and finishes on Sunday 4 November.

The aim of is to put pressure on the government to take action on the debt trap.

We are urging the Chancellor, Philip Hammond MP, to:

1. End rip-off lending by capping interest rates and charges for loans, credit cards, overdrafts, rent-to-own and doorstep lending
2. Set out how the government plans to help families stuck in the debt trap.

To make this happen, we plan to:

- Get as many signatures as we can on our post-card action and e-petition to the Chancellor
- Get the word out in local media across the country
- Get #DebtWeek trending on Facebook, Twitter, and Instagram.



WHAT'S IN THIS PACK?

a. A guide to Britain's growing debt trap

b. Info on debt advice services

c. Action guides – How to get involved in Debt Week

Guides and tips for a range of activities you can do to help make Debt Week a success:

- a. Organise a stall in your community
- b. Organise a coffee and cake session
- c. Write to your local newspaper
- d. Help spread the word on social media

e. Take a solidarity photo and message

f. Get a motion passed at your local trade union branch or political party branch

g. Deliver a talk or sermon on this issue at a place of worship

d. Answers to tricky questions

e. A final word

f. Resources

WHAT HAPPENS NEXT?

STEP 1: *Read this pack and make a plan*

If you're up for taking part in Debt Week, have a read of this pack and pick an activity or two. Time to get plotting!

STEP 2: *Find a friend to help you*

For anything more involved than sharing content on social media, we suggest finding a buddy to help you. For example, why not ask a friend or family member or colleague to help you organise a coffee and cake session? Everything is easier and more fun if you do it with others!

STEP 3: *Get in touch with us!*

We're keen to find out what activities people have planned and to support you in whatever way we can. We have various resources we can send you, including a special pack of resources for stalls and events, posters, and of course the postcards we want to get signatures for.

We have a special organiser, Nic, dedicated to helping you make your Debt Week activities a success. If you're planning a stall or coffee and cake session, or a letter to your local newspaper (or anything more involved than a Facebook post), please drop Nic an email or give him a quick call so he can add your activity to the log of everything that's happening and make sure you get the support you need.



Nic Murray – Debt Week Organiser

Email: nic@jubileedebt.org.uk

Tel: 020 7324 4722

Also, if you have any other ideas for local activities that you would like to make happen during Debt Week, like a film showing, panel discussion or debate, please contact Nic to discuss your idea further and find out how the Jubilee Debt Campaign staff team can help.

1. A GUIDE TO BRITAIN'S GROWING DEBT TRAP

Here's a brief introduction to the debt trap faced by growing numbers of people and families across the UK.

1. *Debts are spiralling out of control*

Despite falling after the 2008 financial crisis, levels of unsecured (non-mortgage) household debt – including credit cards, loans, overdrafts, rent-to-own, and debts to doorstep lenders – are now at £239 billion. This is 4.9% higher than their pre-crisis peak.

2. *More and more families across the country are getting stuck in a debt trap*

An estimated 7.6 million people now owe at least a third of their entire annual incomes, and nearly 9 million people are 'severely indebted', spending more than a quarter of their incomes on debt repayments.

3. *Low wages, insecure work, welfare cuts and rip-off lending are behind the debt trap*

The reason for the growing debt trap is that millions of families in the UK are struggling to make ends meet. Wages still haven't recovered since the financial crisis, with average real wages still £11 a week lower than in 2008. Insecurity at work is also a growing problem. Nearly 4 million people in the UK face some kind of insecurity at work, with nearly 1 million people on zero-hour contracts.

Furthermore, the £14 billion in welfare cuts since 2010 mean we don't have a strong enough safety net for people and families when wages aren't enough to live, or when adults can't work or can't find enough work.

This means that growing numbers of people are having to borrow just to cover basic needs, like putting food on the table. And rip-off lenders are out of control, exploiting desperate families with high cost credit. Before Wonga collapsed it was still charging 1000% interest on a 6-month loan. And we see similar rip-off charges and irresponsible practices across other lending like rent-to-own and credit cards.

4. *The debt trap is driving poverty, mental health problems, and unacceptable impacts on child wellbeing*

When personal debts get too high they cause **poverty, mental health problems, family break-down, homelessness**, and threaten **community cohesion** and the **stability of the economy**. A quarter of people admitted to hospital each year with mental illness face

financial problems, while children in households with debt arrears are five times more likely to have low well-being than those with no difficulties with debt.

Spiralling household debts are also putting pressure on public services and public spending. A report by the National Audit Office published in September 2018 estimated the extra burden on public finances resulting from problem household debt to be £250 million per year.

5. *The poorest families are hardest hit*

The poorest households who already face severe hardship are the most likely to need to borrow to make ends meet, and yet are often also forced to pay the most in interest rates and costs to borrow money. Just under half (44%) of all households spending more than a quarter of their income on debt repayments have incomes of less than £15,000 per year.

6. *Government policies and choices are the main cause of the debt trap*

The growing debt trap is the result of a series of government policies and choices. Since the 1970s governments have chosen to loosen regulations on banks and other lenders, allowing them to lend irresponsibly and at rip-off rates. Policy choices by this and previous governments have also led to the cost of living crisis. The government could further increase the minimum wage, ban zero hours contracts, strengthen the social safety net, and stimulate more and better jobs through public investment, but is choosing not to. Similarly, the welfare cuts that followed the 2008 financial crisis were a political choice, not an economic necessity.

7. *We urgently need government action*

We urgently need the government to take action to end spiralling debts and the growing debt trap. To start with, we need the Chancellor to end rip-off lending by capping interest rates and charges for loans, credit cards, overdrafts, rent-to-own and doorstep lending. But this is just the first step. If people aren't earning enough money to make ends meet, then they will have no choice but to borrow. That's why we're also calling on the government to set out a comprehensive plan to tackle the debt trap. This needs to include policies to tackle low wages and insecure work, and to improve our social safety net.

2. INFO ON DEBT ADVICE SERVICES

Jubilee Debt Campaign is focused on campaigning and advocacy on debt issues. We do not provide advice on personal debt problems. If you are facing personal debt problems, we recommend getting in touch with one of the following free national services, who will be able to help.

If anyone you speak to during Debt Week is looking for help or advice about their debt, we strongly urge you not to try to provide advice yourself. Please direct them to the professional services below, who are specially trained and will be able to provide confidential support and advice. Thank you.

Citizen's Advice have online debt advice, or you can speak with an advisor at your local Citizen's Advice Bureau. Find their contact information via their website:

www.citizensadvice.org.uk

StepChange can help you to make a personal debt repayment/management plan on the phone.

Call **0800 138 1111** or visit:

www.stepchange.org

National Debtline can talk through your problems and help you move forward.

Call **0808 808 4000** or visit:

www.nationaldebtline.org

3. ACTION GUIDES – HOW TO GET INVOLVED IN DEBT WEEK

a) Organise a stall in your community

Why: Running a stall during Debt Week is a key way to support the campaign. By hosting a Debt Week stall you can help create local awareness on the issue, get postcards to the Chancellor signed for our petition and help recruit new people to get involved in the next steps in the campaign.

Where can you host a stall: If you decide to do a stall it's a good idea to discuss with friends, family and local contacts where and when in your community it makes most sense to hold the stall. It's a good idea to pick a time and place where it's likely there will be lots of people around. For example:

- Local festivals and fairs
- At other people's events (e.g. a sympathetic organisation's film showing or talk)
- Your local high street / shopping centre at the weekend
- After a service at your place of worship

You do not need permission to set up a stall on publicly-owned land (i.e. all ordinary streets), you just need to ensure that you aren't blocking the pavement by doing so.

Setting up your stall: If you're running a stall or event during Debt Week **please order our Debt Week Stall Resource Pack** by contacting nic@jubileedebt.org.uk or call Nic on **020 7324 4722**.

The Resource Pack includes a whole set of resources to make your stall look engaging, as well as important campaign materials, including:

- The postcards to the Chancellor
- A poster, some bunting and a tablecloth to decorate your stall
- A 'Guess the Interest Rate' game to help start conversations with passers-by and draw them to your stall
- Information on national debt advice services to give out to anyone who comes to your stall who is facing personal debt problems
- Sign-up sheets for the Jubilee Debt Campaign e-list



b) Organise a coffee and cake session

Why: Organising a coffee and cake session can be a great way to start a conversation in your community about the debt trap, get postcards signed for our petition, and encourage friends and colleagues to get involved in the campaign.

You could organise a coffee and cake session in your place of work one lunchtime, or in your local community centre or place of worship, or invite your neighbours round to your house one afternoon. You could bake a cake, or ask friends and colleagues to bring in some cakes, and let them know it's all part of the Great British Debt Trap campaign.

Getting prepared: If you're planning to organise a coffee and cake session, contact Jubilee Debt Campaign and we will send you copies of the action postcards and a poster that you can use to advertise the event.

Spreading the word: Put a poster up in your work canteen or in your community centre or place of worship, at least a week before your coffee and cake session. And make sure you let people know by word of mouth – invite friends and colleagues and neighbours at least a week in advance and ask them to help spread

the word and get more people along. If you're on Facebook, you can create a Facebook event and invite your contacts to it.

Starting the conversation: If you're unsure of how to start the conversation or would like some help or tips on how to get people chatting about the debt trap, we've got a few ideas for conversation-starters and also a quiz that you can use. See the resources section on pages 9 & 10.

What next: Towards the end of your coffee and cake session, ask your participants if they will support our campaign on the household debt crisis by signing a postcard to the Chancellor. Make sure you send the signed postcards back to us in the stamped addressed envelope provided!



c) Write to your local newspaper

Why: Writing a letter to your local newspaper is a really simple way to raise awareness of the debt trap in your area and encourage people to support our campaign. It can also start a bigger conversation as readers may want to respond to your letter or share their own experiences of struggling with debt.

Template letter: Please see the resources section on page 11 for an example letter to a local newspaper that you can use or adapt.

Some letter writing tips: Here are some tips if you want to write your own letter from scratch:

- Think through what the key messages you want a reader to remember are (see the guide to Britain's growing debt trap on page 3 for some suggestions)
- Aim for 150 words max but ideally as short as possible
- Don't be afraid to be passionate; editors like vigorous argument, emotive language and humour

- If you can, try and link to something local or which has been in the local paper recently. For example, any research or reports on the scale of debt problems in your community
- Include mention of the Jubilee Debt Campaign (and ideally even the website link: www.jubileedebt.org.uk)

Practical tips:

- If you're sending your letter to the newspaper in an email, include it in the body of the email, not as an attachment
- Include your name, address and daytime telephone number as many newspapers don't publish unsigned letters or may want to contact you first.

d) Help spread the word on social media

Why: Social media is the easiest way to help get the word out about Debt Week. Posting a tweet or a Facebook status is a simple way to encourage your connections online to learn more about the debt trap and help pressure the government to take action.

What to do: First of all, make sure that you have 'liked' and are following Jubilee Debt Campaign on Facebook and Twitter:

 www.facebook.com/jubileedebtcampaign/

 <https://twitter.com/dropthedebt>

Then keep an eye out for our posts in the run-up to and during Debt Week and share and repost to help us get the word out!

We'll be putting out an exciting range of social media content during Debt Week, including a selection of engaging videos and infographics.

You can also post your own Facebook and Twitter posts. Please don't do this until Debt Week has started because we don't want to confuse people about when it is!

We've included some examples here. Please make sure you use the #DebtWeek hashtag (but only during Debt Week itself – Saturday 27 October to Sunday 4 November).

We'll keep an eye out for your posts and tweets and like and retweet them!

Sample posts:

 **Your Name**
@YourTwitterHandle

Too many of us are stuck in our overdrafts, or owing on credit cards, or having to borrow just to get to the end of the month. The government has to act! I'm taking action to end the dept trap as part of #DebtWeek

[add a picture of your stall / event or link to the Jubilee Debt Campaign website]

 **Your Name**
@YourTwitterHandle

Why does @PhilipHammondUK think its ok for families to get into debt to make ends meet? It's not ok that our communities are suffering. We need to end the debt trap. I'm taking a stand for #DebtWeek

[add a picture or link]

 **Your Name**
@YourTwitterHandle

9 million people spending more than ¼ of their income on debt repayments. Does the government care that the debt trap is destroying our communities? I care. Join me this #DebtWeek

[add a picture or link]

e) Take a solidarity photo and message

If you don't have the time to organise any other activities, sending a solidarity message on social media is also a great way to support the campaign.

Simply write a short message on a piece of paper or card about the debt trap, get a photo of you holding it, and post it on Facebook or Twitter during Debt Week.

Here are some ideas for messages / slogans:

- End the Debt Trap!
- Solidarity with families stuck in the debt trap
- End rip-off lending!
- No-one should have to borrow to put food on the table

Practical tips:

- You can take your solidarity photo at home, in your workplace with colleagues, or even near a local landmark, anything that shows people that Debt Week is being supported by people like you across the country
- Hold the sign in front of you and get someone to take your picture
- Follow Jubilee Debt Campaign on Twitter and Facebook to make sure you can take part in the conversation and share your photos and messages with us when Debt Week begins.

f) Get a motion passed at your local trade union or political party branch

Why: If you're a member of a trade union or a political party, getting a motion passed is a great way to get your trade union or party more engaged in the issue of household debt, by being aware of the problem and, after debate, hopefully resolving to take action. If you're a member of a local trade union or political party branch you can submit a motion on the debt trap to be debated at your next branch meeting. You can also propose that your branch affiliates to Jubilee Debt Campaign.

Practical tips:

- Contact the Secretary of your branch and state that you want to submit a motion (there is likely to be a 14-day deadline before the next branch meeting)
- Submit the motion by the deadline
- Attend the branch meeting where you may be asked to expand on your motion, giving further detail
- The attendees will be given an opportunity to speak against your motion but yourself and others will be given an opportunity to respond
- The meeting will then vote for or against the motion

See the Resources section on page 11 for a model motion that you can adapt and bring to your branch.

If you want to write your own motion or adapt our model motion, you should remember that all motions roughly follow this shape:

Title: (make it snappy, concise and understandable!)

This branch notes... FACTS- factual information that can be **independently** seen to be true.

This branch believes... OPINIONS

This branch resolves... ACTIONS - what action to take as an organisation, such as writing to a government minister.

Affiliate to the Jubilee Debt Campaign: Several national trade unions and local trade union branches have already affiliated to the Jubilee Debt Campaign. And while we are a charity and must maintain independence from political parties, it is also possible to affiliate as a local branch of a party. By becoming an affiliate your branch can play a more active role in supporting our campaigns, whether that is by helping shape our campaigns strategy and actions, or requesting speakers for your regional events.

You can find out more about the benefits of affiliating to the campaign and how to affiliate here: <https://jubileedebt.org.uk/get-involved/affiliate-to-the-jubilee-debt-campaign>

g) Give a talk or sermon in your place of worship

Why: Many faith groups across the UK are affiliated with the Jubilee Debt Campaign, seeing the elimination of unjust debt as one of the ways of working towards a fairer world. If you are able to, then giving a sermon or talk to your congregation or place of worship could be a great way of encouraging your faith community to take action on the debt trap and show support and solidarity with people and families in your area who are suffering under spiralling debts.

Resources: If you are thinking of giving a talk or sermon in your place of worship, please get in contact with our Debt Week organiser Nic and he will be able to help link you up with some resources.



4. ANSWERS TO TRICKY QUESTIONS

You don't need to worry about learning lots of facts and figures before you can get stuck into the campaign. The debt trap is a basic issue of fairness and justice. You should trust that you will be able to convince people to support the campaign just by talking from the heart.

However, there are some questions or points that we anticipate are likely to come up in your conversations and below we've suggested some points that might help you to respond.

If you do get asked questions you're not sure how to answer, you can just say that you don't know and can direct them to our website (jubileedebt.org.uk) for more information.

It's people's own fault if they get in to debt, why do you want me to do something about it?

Debt is not a personal or moral failing. In fact, it's a series of government failures and policy decisions that are behind Britain's spiralling debt levels. We are facing a serious cost of living crisis, with wages still £11 lower than before 2008 once you take inflation into account. And nearly 4 million people across the UK face insecurity at work.

All together, low wages, insecure work and cuts to our social safety net are leaving more and more people and families no choice but to borrow just to put food on the table. And weak regulations mean these families are being preyed on by irresponsible, rip-off lenders. Despite government action to cap pay day loan charges, they can still charge up to 1000% interest. And there's no such cap for rent-to-own, door step lending, and credit cards.

If you can't afford it then just don't take out a loan!

There are a wide range of ways that people can take on debt, some are better regulated than others. Sectors like rent-to-own and doorstep lending are rife with predatory lending practices. Shady introductory offers can lead to people paying far more than expected, and coupled with recent interest rate hikes this means that people relying on their overdraft or credit card can find themselves paying far more for this than they would have several years ago. **All of this means it's not just a simple question of 'can I afford this?' and that's why we need greater regulation of lending.**

We have a benefits system. If people get into debt in any case, surely that's their problem?

Austerity and public spending cuts brought in since the financial crisis in 2008 have continued to shrink the UK's social safety net, meaning that people reliant on benefits are receiving less and less at a time of increasing insecure work and squeezed household incomes. The majority of households in poverty have at least one member in work, and in some areas almost half of those claiming Universal Credit are in work. The low wage economy means growing numbers of people simply aren't earning enough to get by and are reliant on extra support.

Cuts to welfare benefits, introduction of the benefit cap, restrictions on Local Housing Allowances and the uprating of working age benefits have all left people with less since 2008. It's estimated that the rollout of £14 billion in welfare cuts will have negatively impacted 8 million households.

And the introduction of Universal Credit looks set to make things even worse. Claimants will have to wait for five weeks to receive their benefits payment, leaving many struggling to pay essential bills.

All of this means households are increasingly having to take on debt to meet basic needs because welfare payments and support just isn't enough.

But debt has always been a problem, why should we start caring about it now?

Britain has a growing debt trap. Levels of unsecured household debt are on the increase, and the number of households who are trapped in debt has increased by nearly 20% in the last two years alone. Taking on debts just to make it through to the end of the month is becoming increasingly common across the UK. **We need urgent government action to tackle the debt trap before it gets any worse.**



5. A FINAL WORD

If you have read this far, we want to say a big thank you from all of us in the staff team. Everything you can do during Debt Week, from a tweet or a Facebook post, to a big event in your local community, will be a step towards helping to lift families across the country out of the debt trap. We will only win government action on the root causes of the debt trap with continued pressure. We're in this for the long-haul. We really hope you'll come on the journey with us.

6. RESOURCES

Conversation Starters

A. Personal experiences

- What would you do if you didn't earn enough to pay for your rent, food and bills? Do you have friends or family who could help? Or would you have to borrow to make ends meet?
- Are there any pay day lenders on your high street? What kind of interest rates do they charge on their loans? Do you know anyone who has got into trouble with them?
- High levels of household debt can depress local economies, sucking money out of the community and harming jobs, wages and small businesses. Have you noticed anything like that here?

B. How did we get here?

- 9 million people in the UK are now severely indebted. What would you say are the main reasons? What has been the role of government policies and decisions?
- If your hours or salary were cut, would you have to borrow to get by? What do you think the connection is between low wages and insecurity at work, and debt?
- Do you think welfare benefits are enough for people to pay for essentials?
- Do you think there's enough controls on lending by banks and other lenders, or are rules and regulation too lax?



QUIZ

Many facts highlight just how out of control the UK's debt trap is becoming. You can test your friends to see if they realise just how bad the problem of spiralling debt actually is using the quiz below (the answers are highlighted in bold!).

1 *Wages have stagnated since the financial crash in 2008. Real wages are still **£11 lower than before 2008** (taking into account inflation). When was the last time wage stagnation carried on for this long?*

- a. The First World War (1914 – 1918)
- b. **The Napoleonic Wars (1803 – 1815)**
- c. The American Revolution (1775 – 1783)
- d. The Second World War (1939 – 1945)

2 *Which of the following consumer credit products have no upper limit on the amount of interest and fees that can be charged?*

- a. Credit Cards
- b. Rent-to-own purchases
- c. Doorstop lending
- d. **All of the above**

3 *What percentage of people on zero-hour contracts say they struggle to manage bills due to not having enough hours?*

- a. 35%
- b. 45%
- c. **55%**
- d. 65%

4 *How much are people in the UK paying per year in interest on unsecured debt?*

- a. £3 billion
- b. £16 billion
- c. **£21 billion**
- d. £35 billion

5 *How much do households in the UK currently owe in outstanding unsecured debt (i.e. all household debts other than mortgages)?*

- a. £11 billion
- b. £57 billion
- c. £130 billion
- d. **£239 billion**

6 *Children in households who have debt with arrears are how many times more likely to have lower wellbeing?*

- a. Twice
- b. Four times
- c. **Five times**
- d. Seven times



Example Letter To A Newspaper

There are now 9 million people in the UK stuck in a debt trap, paying more than £1 in every £4 they have on debt repayments. The poorest families are being hit the hardest.

Low wages, insecure work and social security cuts mean that more and more people in [THE AREA COVERED BY YOUR LOCAL NEWSPAPER] and across the country are having to turn to rip-off lenders charging extortionate interest rates just to make ends meet, pushing them into a debt trap.

Spiralling debts are driving poverty, misery, mental health problems, and homelessness, and unacceptable impacts on child wellbeing. Shockingly, the problem is set to get worse.

Jubilee Debt Campaign is pushing for a cap on interest rates and charges for loans, credit cards, overdrafts, rent-to-own and doorstep lending and calling on the Chancellor of the Exchequer, Phillip Hammond MP, to set out what the government plans to do to help families stuck in the debt trap.

They are calling on people to join the campaign and help put pressure on the government to act.

To find out more go to www.jubileedebt.org.uk

[NAME]

[LOCAL GROUP, IF RELEVANT]

Model Motion For Local Trade Union / Political Party

Title: Helping local families stuck in the debt trap

This branch notes...

- Households in the UK now owe £239 billion in unsecured debt (i.e. on loans, credit cards, overdrafts, debts to doorstep lenders, and rent-to-own products), exceeding the pre-2008 peak by 4.6%
- An estimated 7.6 million people owe the equivalent of at least a third of their entire annual incomes, and nearly 9 million people are spending more than a quarter of their income on debt repayments.
- The poorest are in the greatest financial difficulty. Just under half (44%) of all households spending more than a quarter of their income on debt repayments have incomes of less than £15,000 per year.

This branch believes...

That low wages, insecure work and social security cuts mean that growing numbers of families are having to turn to rip-off lenders charging extortionate interest rates to make ends meet, landing them deep in debt.

That the poorest families are being hit the hardest.

That the growing debt trap is driving poverty, misery, mental health problems, and homelessness, and completely unacceptable impacts on child wellbeing.

That we need urgent action by the government to tackle the debt trap, including a cap on interest rates and charges for all types of consumer credit, and action on the structural causes of indebtedness: low wages, insecure work, and cuts to our social safety net.

It's likely that some of the poorest families will need a debt write-off to lift them out of the debt trap and give them a fresh start.

This branch resolves...

To support Debt Week, the nationwide week of action on household debt, taking place from Saturday 27th October to Sunday 4th November 2018, by sending a message of solidarity to indebted families via Jubilee Debt Campaign, by holding a stall to get signatures for the petition calling for government action on rip-off lending, by inviting a speaker from a local debt advice service to speak on this issue, and by calling on [NAME OF LOCAL MP] MP to write to the Chancellor and call for urgent government action on rip-off lending and the debt trap.

7. FURTHER RESOURCES

Hopefully this action kit gives you everything you need to get involved in Debt Week. But if you're hungry for more, here are some further resources:

- **Household Debt: The Poverty Trap (2018):** Our 'Drop-It' briefing on this issue: <https://jubileedebt.org.uk/wp/wp-content/uploads/2018/05/Drop-it-Summer-2018.pdf>
- **The Case for a Household Debt Jubilee (2018):** Our joint briefing with the Centre for Responsible Credit on the case for a cap on the cost of credit to protect some of the hardest hit families: <https://jubileedebt.org.uk/wp/wp-content/uploads/2018/03/The-Case-For-A-Household-Debt-Jubilee.pdf>
- **The Great Jobs Agenda (2017):** The TUC's manifesto for the policy changes needed to tackle low wages and insecure work and provide a good job for everyone: <https://www.tuc.org.uk/sites/default/files/great-jobs-agenda.pdf>
- **Britain in the Red (2016):** A joint report by the TUC and Centre for Responsible Credit on the household debt crisis: <https://www.tuc.org.uk/research-analysis/reports/britain-red-why-we-need-action-help-over-indebted-households>