aberlour
scotland's children's charity

scottish women's aid

FINANCIALLY INCLUDED



"We can't expect women to recover from trauma with the weight of coerced debt on their shoulders"

Aberlour Children's Charity has joined with Scottish Women's Aid, and GEMAP's Financially Included Project to highlight the role that coerced debt plays in Scotland's Debt Crisis. We call upon Members of the Scottish Parliament from all political parties to address the issue of coerced debt during 16 Days of Activism Against Gender-Based Violence.

Coerced debt is a form of domestic abuse that exploits women's economic inequality and traps them and their children in poverty.

Key Issues

1. Coerced Debt

- Coerced debt involves an abusive partner building debt in the victim-survivor's name without their consent or knowledge or through coercing, forcing or threatening them to do so.
- Public debt, including council tax payments, rent arrears, and school meal debt, traps families in poverty.
- Low-income families in Scotland are facing a debt crisis.
- Government intervention is essential to alleviate the crushing debt burden on survivors and their families, and address the injustice of coerced debt.
- Public debt reform is vital to tackling women's economic inequality, and to uphold children's rights to grow up free from poverty.

2. The Impact of Coerced Debt

- Financial hardship and poverty for women and their children;
- Homelessness;
- Children being taken into care;
- Difficulty accessing safe, affordable housing;
- Barriers to employment and education;
- Poor mental health;
- Low credit scores and long-term financial insecurity.

3. The Gendered Nature of Public Debt

Research consistently evidences that the face of poverty is female. Women's precarious position in the labour market, gender pay gap, unpaid care work and gender-blind design of social security all contribute to women's economic vulnerability and poverty. As a result, women in Scotland are more likely to:

- Live in poverty and have problem debt;
- Be the head of one-parent families;
- Access social security;
- Have restricted access to sustainable housing;
- Be more visible to local authorities, and be open to often punitive public debt collection practices.

Coerced Debt & Economic Inequality: Coerced debt traps women and children with dangerous perpetrators as they are not able to afford the substantial costs of separation or rebuilding their lives.



"When a Mum comes into our services, the first thing we do is risk assess - this includes looking at financial circumstances. Almost all of the Mums we support have debt caused by abuse. Either coerced by perpetrators or attributed to the 'cost of leaving'. She can't move forward with healing from the trauma without her and her children's basic needs attended to."

- Assistant Manager
Aberlour Equally Safe, Falkirk

The intersecting experiences of economic inequality and violence against women have devastating consequences for women and children. When women are coerced into debt by abusive (ex)partners, their financial autonomy is further reduced and their ability to provide for themselves and their children is constrained.

As a result, women are often not able to separate from their abusive partners or are forced to return to them to survive. For those who do leave, many are held back in their recovery journey due to the ever-looming threat of debts owed.

A group of survivors supported by Aberlour told us that this feels like an extension of their ex-partner's control: “It’s about control, not cash”

The Scale of the Public Debt Crisis for Survivors

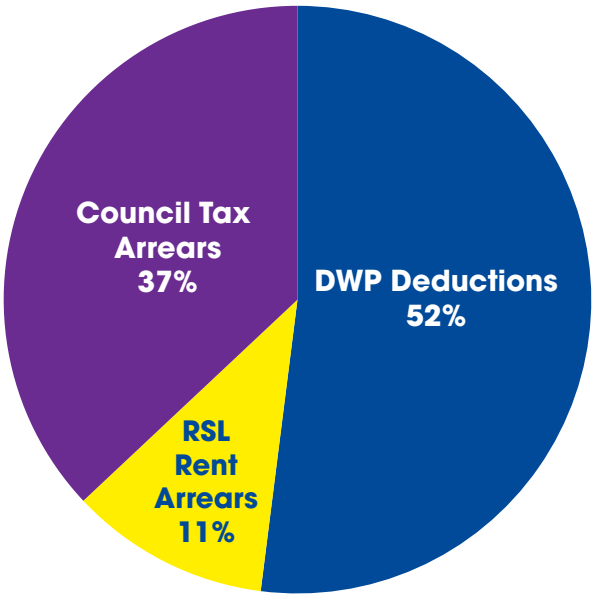
Financially Included is a partnership project between GEMAP Scotland and the Glasgow Violence Against Women Partnership. They deliver specialist trauma-informed money advice for survivors of gender-based violence in Glasgow.

48% of clients' debts are owed to the public sector. Totalling at £251,400.

- Public debt represents the largest proportion of debt owed by women supported by Financially Included.
- Debt collection processes happen at a faster rate than debts owed to private financial institutions.
- 70% of this debt is owed by women with children, adversely affecting their children's wellbeing.

"There seems to be no rules around dealing with vulnerable clients like these in the public sector, like there is with the private sector."

- Advice & Capability Officer
Financially Included



Key Statistics

75%

of total debt owed by families supported by Aberlour's Tayside hardship Fund was **debt to public bodies**

55%

(approx. 80,000) of families with children receiving Universal Credit in Scotland have public debt.

£1,000

How much families on Universal Credit in Scotland on average see their **income reduced** annually due to deductions.

£251,400

the amount owed to public bodies by **240 women** in Glasgow alone supported by Financially Included.

1 in 5

families supported through Aberlour's Urgent Assistance Fund reported experiencing **domestic abuse.**

More than **1 in 4 children (26%)** in Scotland live in poverty, with some areas experiencing rates higher than **1 in 3.**

Voices from the Community



"Debt is like a shadow you can't escape."

Nadia*
Parent supported by Aberlour



"Women often don't see debt as abuse, but a solution to reducing abuse."

Women's Aid Support Worker



"Picking up extra shifts to get by results in higher deductions"

Emily*
Parent supported by Aberlour

*names changed

Case Study

"One of our Mums is still having to re-pay council tax arrears from a property she lived in with the perpetrator over two years ago, she thought he was paying the council tax, and he was not. As it was a joint private tenancy, she was made liable for the council tax, and this costs her approximately £104 per month, which is a huge sum each month."

- Support Worker
Aberlour Bridges Partnership

Actions Needed

Increased Understanding

- Raised awareness and understanding of economic abuse, specifically the consequences of coerced public debt in trapping women and children with abusive partners, driving homelessness and child poverty.

Widespread Specialist Money Advice

- Build upon the successful Financially Included pilot to roll out specialist, trauma-informed money advice and support for victim-survivors and rights advocacy. Specialist support must be available for all survivors in Scotland, no matter where they live.

Public Debt Relief for Essential Services

- Treat debts related to essential services, such as council tax and water, differently by implementing debt relief measures and flexible payment options for low-income families.

Prohibition of Aggressive Debt Collection Practices

- Prohibit aggressive debt collection practices that push families deeper into poverty, promoting compassionate and supportive debt management approaches.
- Develop debt recovery policies that recognise the impact of domestic and economic abuse and prevent victims being pursued for coerced debt in their name as a result of abuse.

Act on the Delivering Equally Safe Refresh

- Deliver on current Scottish Government commitments for supportive, preventative and accessible VAWG services for families impacted by domestic abuse.

Public Debt Moratorium for Survivors

- Suspend debt collection by public bodies for victim-survivors for 12-24 months to allow time to emotionally and financially recover without facing additional pressures, financial hardship or families being pushed into poverty.

End the Two-Child Limit

- Commit to ending the cruel and unjust Two-Child Limit to immediately lift 300k children across the UK out of poverty.
- This is of specific importance for victim-survivors forced into non-consensual conception who may not know or don't feel safe to claim the exemption.

Scrap the 5 Week Wait for Universal Credit

- Long waiting periods for Universal Credit causes public debt to accrue from the outset of claims in the form of future deductions.

Emergency Financial Assistance

- Extend Scottish Women's Aid's Fund to Leave emergency fund for victim-survivors. We call for the evaluation of the pilot to be built upon and established as a permanent national fund.

For more information, please contact: Robyn Moffat-Wall (Senior Policy Lead, Challenging Public Debt Project)

Email: Robyn.Moffat-Wall@aberlour.org.uk
Phone: 07920 099883

Aberlour Children's Charity
Registered Head Office
Kintail House, Forthside Way, Stirling
FK8 1QZ

www.aberlour.org.uk

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