



Citizens Advice manifesto
No one left behind



About the Citizens Advice service

What we do

The Citizens Advice service provides free, confidential and impartial advice to help people resolve their problems. As the UK's largest advice provider we are equipped to deal with any issue, from anyone, spanning debt and employment to housing and immigration.

In the last year alone, the Citizens Advice service helped 1.9 million people to solve 6 million problems. But we're not just here for times of crisis – we also use clients' stories anonymously to campaign for policy changes that benefit millions.

How we're structured behind the scenes

There are 416 Citizens Advice Bureaux across England and Wales, all of which are independent registered charities. Citizens Advice itself is also an independent registered charity, as well as being the membership organisation for bureaux. Together we make up the Citizens Advice service.

Through the training, information systems and support it provides, Citizens Advice equips bureaux to deliver the highest quality advice to their local residents. In turn, client evidence submitted by bureaux alerts Citizens Advice to widespread problems that require action at a national level.

How the public knows us

The Citizens Advice service offers information and advice through face-to-face, telephone and email services, and online via Adviceguide.org.uk.

Between them, Citizens Advice Bureaux make face-to-face advice available from over 3,300 locations including high streets, community centres, doctors' surgeries, courts and prisons. Of the 27,000 people who work across the Citizens Advice service, 21,000 are volunteers and 6,000 are paid staff.

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Introduction



The Citizens Advice service has provided free, independent and confidential information, advice and support to the public for 70 years. Born out of the adversity of the Second World War we are still in great demand today, particularly as a result of the recession, which has had a devastating impact on so many people.

While some see 'green shoots', consumer confidence in the economy and financial services remains low and there is growing uncertainty and fears for the future. Citizens Advice wants to ensure that no one is left behind when the economy recovers.



Our own pledge, to the people who need our help and to those who fund us to help them, is to provide good, independent advice for all.



We are calling on all the political parties to commit to:

- **Adequate incomes for all** – by tackling poverty, simplifying the benefits and tax credits systems, and setting ambitious targets for benefit take-up.
- **Decent affordable homes for all** – by making more social housing available for rent, setting higher standards for landlords in the private rented sector and regulating the mortgage market better.
- **Accessible services for all** – by safeguarding the vital Post Office network in rural areas, improving access to Jobcentre Plus services and making government helplines free to all callers.
- **Clear and enforceable rights for all** – by creating a broad-based Fair Employment Agency, implementing the new Equality Act, and reforming and extending our legal aid system.
- **Fair markets for all** – by giving regulators the powers and the duty to ban rogue traders, strengthening regulation of consumer credit and introducing independent regulation of bailiffs.

Our own pledge, to the people who need our help and to those who fund us to help them, is to provide **good, independent advice for all**. We ask that the next Government supports us in our efforts to do so.

We want to ensure that the people who are struggling today have something better to look forward to tomorrow. That is why we have produced this manifesto – to use their experiences to secure a blueprint for a better, and more hopeful, future.



David Harker
Chief Executive, Citizens Advice

Adequate incomes for all

Job losses and cuts in working hours have brought many into contact with the welfare benefits system, some for the first time. Mortgage arrears have risen sharply. Lower interest rates have benefited some mortgage borrowers in the short term but have created real problems for those who rely on income from savings. Fuel prices remain unaffordably high for many on the lowest incomes, who are also struggling with higher food prices. And despite significant efforts child poverty is not reducing quickly enough.


In 2007/08 there were 4 million children, 7.5 million adults and 2 million pensioners living below the poverty line¹. Yet up to £10.5 billion² of means tested benefits and £6.2 billion³ of tax credits remain unpaid. As many as four out of five low paid workers without children miss out on tax credits¹.


We estimate that more than 1 million families are still struggling to repay tax credits that were overpaid as far back as 2003/04⁴, and too many are put off applying for their entitlements because the system is too complex.


Concerted action is required to get more money into these people's pockets. It is vital for their health and wellbeing and will contribute to the increase in spending needed to help us climb out of the recession.





Citizens Advice calls on the next Government to:

 Take action to eliminate poverty by implementing the forthcoming Child Poverty Act, and by developing new strategies to meet the fuel poverty target.

 Ensure that people get the financial support to which they are entitled by setting ambitious targets for take-up of all benefits and tax credits, and by improving access to the Social Fund.

 Remove barriers to benefits and tax credits by establishing a Welfare Commission to review and simplify the systems, and to ensure that people who can and want to work are better off as a result.

 Restore confidence in the system and reduce debt by writing off tax credit overpayments from the first two years of the system's operation, when it suffered from acute administrative problems.

 Give all eligible job seekers a fair chance of finding a job and making a decent living by providing sufficient appropriately trained and resourced Jobcentre Plus personal advisers to assist them.



Decent affordable homes for all

Successive governments have agreed that everyone should have access to a decent home at a price they can afford. With house prices high and incomes low, though, affordable housing is still not a reality for a lot of people.

Many require help from the benefits system, yet housing benefit sometimes falls short of rent rates. Recipients must report every change to their circumstances, which are common in low paid work, and delays in processing can cause havoc with tight budgets. There is no equivalent help for working home owners either – only the temporary Support for Mortgage Interest scheme.

Quality of housing is a huge issue too. Around 3 million households live in the private rented sector, yet 45 per cent of private rented housing fails to meet the Government's decent homes standard⁵. The majority of private rented homes are let and managed through agents who are not currently covered by statutory regulation, and only half of the estimated 8,000 agents in England belong to a self regulating professional body. A recent survey of 424 letting agents by Citizens Advice Bureaux found that 94 per cent impose charges on top of rent and the tenancy deposit, which many tenants classed as unfair⁶.

For home owners, as mortgage arrears and repossessions have increased, the two tier system of regulating lending secured on property has been found wanting. Main, or first charge, mortgage lenders have exercised forbearance and co-operated with new initiatives to prevent people losing their homes. But secondary, and sub-prime, lenders have raised interest rates and applied excessive default charges.

We welcome the recent pledge that 3 million new homes will be built in England by 2020, but it is essential to remember that the building of them alone does not increase the provision of decent affordable homes.

Citizens Advice calls on the next Government to:

-  Make affordable homes a reality by setting a target that 40 per cent of all new housing must be for social renting or low cost home ownership.
-  Ensure that private tenants have real and enforceable rights to decent homes by taking effective action to tackle bad landlords and introducing statutory regulation of letting agents.
-  Grant greater security to those on housing benefit by ensuring that local housing allowance rates reflect average rents in every local community, and by introducing fixed-period awards for people in work.
-  Support all people on low incomes with their housing needs, whether in or out of work, by introducing a tenure neutral housing allowance that is integrated into the tax credit system.
-  Afford all home owners equal protection by reforming the regulatory system for mortgages so that the same rules and consumer protection measures apply to all lending that is secured on property.



Accessible services for all

It is basic business sense that services can be accessed by consumers, are of good quality and efficiently delivered. But instead of services becoming more accessible to the public, the trend has been in the opposite direction. Particularly for people living in rural areas, those – generally on lower incomes – who are not connected to the internet, people who find it too difficult or costly to use the telephone, and those who need to deal with an issue face-to-face.


Since October 2007, approximately 2,500 Post Office branches have been closed, with only 500 of them replaced by outreach services. This has had a major impact on access to vital services, and has resulted in people in those areas feeling 'cut off'. Jobcentre Plus has also reduced the availability of face-to-face services in many local areas, creating barriers to benefits and employment services for those customers who are unable to use telephone services.


Even customers who are able to use telephone services face excessive costs when using their mobile phones to call government helplines, when in fact many of those calls are preventable. According to the Varney Report on public service delivery, nearly two-thirds of all contacts made to government services could be avoided if processes were clearer and more efficient⁷.


Cost is a problem when telephoning businesses too. Consumers are fed up with interminable call centre menus and the frequency with which their queries are not resolved at the first point of contact. Our own research has revealed that more than one in four customers who have contacted a utility company by telephone say they are dissatisfied with the way in which their call has been handled⁸.


Whether the services in question are core public services, or those available in the competitive marketplace, everyone has a right to access them on an equal footing.


Citizens Advice calls on the next Government to:

 Uphold equality of opportunity by setting tough standards for the accessibility of all services for all customers – existing and potential.

 Advance customer service standards (both in terms of speed and quality of response) by requiring industry regulators to systematically measure performance and to publish the results in league tables.

 Stem the social exclusion of rural communities by enabling more people to access a wider range of financial services through the Post Office network, thereby safeguarding its future.

 Provide for the sizeable proportion of the population who cannot readily use the telephone by offering face-to-face options for customers needing to access a government service such as Jobcentre Plus.

 Guarantee equal access to assistance by making all government helplines free of charge to callers from landlines and mobile phones.



Clear and enforceable rights for all

The rights of individual citizens are at the heart of the Citizens Advice service; we exist to defend them. It is imperative that people not only have rights in theory, but that they understand those rights and can exercise them fully. Without this, such 'rights' have no value.

Yet according to a Policy Studies Institute report for the Trades Union Congress, as many as 5 million vulnerable workers are at risk from bad employers ignoring the most basic employment law provisions, such as minimum paid holidays or limits on working hours⁹.

When people seek to exercise their legal rights they often find the system lets them down. Almost 600,000 people apply to tribunals every year but are unable to get legal aid for representation¹⁰.


Support from the free advice sector can be equally hard to access because of the high demand. A Legal Services Commission (LSC) survey from 2007 highlighted discrimination as the most common problem people are unable to get resolved¹¹. Based on the LSC's data, Citizens Advice estimates that over half a million people a year have an unmet need for discrimination advice.


Unprotected by law, millions of consumers are exposed to losses they can ill afford when traders they have paid deposits to subsequently go bust or just do not deliver. Consumers are losing over £100 million a year when businesses go bust¹². The situation has worsened as familiar names continue to fail – over 5,000 businesses became insolvent in the second quarter of 2009. This was an increase of over 40 per cent on the same period in 2008¹³.


Too many people today encounter significant gaps in our framework of legal rights, and sometimes the rights we do have are not realised in practice.





Citizens Advice calls on the next Government to:

 Secure the rights of individual workers by creating a broad-based Fair Employment Agency with the legal powers to close down rogue employers.

 Strengthen protection from discrimination and harassment by ensuring that, when passed, the Equality Bill is brought into force as soon as possible.

 Assure the adequacy of legal aid services by reviewing the funding in light of the recession, and by ring fencing the existing budget to protect it from further erosion if the costs of criminal legal aid continue to climb.

 Extend access to justice by broadening legal aid to cover social security, immigration and employment tribunals.

 Shield individual consumers from the effects of the recession by introducing protection for pre-payments and deposits in the event of a business failing.

Fair markets for all

Unfair business practices that are detrimental to consumers can become common – even ingrained – if regulatory standards are non-existent, weak or poorly enforced by regulators.

The credit crunch and the recession have revealed the lax regulation of financial services in the past, and the limited action taken to ensure responsible lending. Too many consumers, often on very low incomes, drifted into extreme over-indebtedness in a culture of easy and unsolicited credit. The people who approach Citizens Advice Bureaux for help face, on average, 93 years to repay those debts at a rate they can afford. And the debt itself is not the only issue; the unfair and threatening practices of debt collectors and bailiffs have gone unchecked for too long.

The recession has also revealed weaknesses in our consumer protection framework. Get rich quick scams, fake employment opportunities and dubious debt advice websites have thrived in the environment of financial distress. Our regulators have been running to catch up with the rogues, whose rip-offs cost the economy an estimated £3.5 billion every year¹⁴. Taking individual action through the courts is costly and cumbersome, which is bad news for the 3 million consumers who are unable to get redress.

Even in regulated markets, such as insurance and energy, mis-selling has been rife. Action has now been taken on the mis-selling of payment protection insurance, but it took four years and three regulatory bodies to address problems estimated to cost UK consumers £1.4 billion a year¹⁵. And it remains a scandal that the 16 per cent of consumers¹⁶ – or 20 per cent of those on lower incomes¹⁷ – who use energy pre-payment meters end up paying more for their fuel when they switch to billing following a doorstep sales visit.

Increasingly doubtful and mistrusting, consumers need better treatment and access to reliable restitution fast.



Citizens Advice calls on the next Government to:

-  Boost consumer confidence to help us out of the recession by ensuring that regulatory regimes – existing and new – are decisive and courageous in their reward of good practices and punishment of bad.
-  Protect vulnerable individuals from exploitation by taking prompt and tough action against rogue traders who manipulate the recession to their advantage with fake employment opportunities and other scams.
-  Reverse the growth of debt by making the regulation of consumer credit powerful enough to ensure more responsible lending, and by banning unsolicited credit.
-  Ensure all creditors, including government, adopt fairer practices by enforcing acceptance of reasonable repayment offers made by debtors, and by introducing regulation of bailiffs.
-  Secure the legal rights of consumers by establishing a new body to lead representative or class actions on their behalf.

Good, independent advice for all

is our own pledge to the people who need our help, and to those who fund us to help them

We make this pledge because we know that advice has the power to change lives. It triumphs over injustice, it reduces poverty and, in doing so, it transforms people's confidence, health and happiness.

The need for advice never disappears. It exists now, it will exist throughout the changes we are calling for in this manifesto, and it will continue long after they are made. The need for advice is greatest, though, when times are tough. The Citizens Advice service has risen to the challenge of the recession, and in the last year has:

- advised on 6 million new problems
- helped nearly 2 million clients face-to-face in local bureaux
- received 8.8 million visits to our self help website Adviceguide.org.uk
- witnessed a 114 per cent increase in redundancy enquiries, a 61 per cent increase in jobseeker's allowance enquiries and a 49 per cent increase in enquiries about mortgages and secured loans
- dealt with 1.9 million debt problems – with clients owing on average £17,000, which could take up to 93 years to repay at an affordable rate
- provided financial education that has benefited over 200,000 people, working with third sector partners and with support from public and private sector funders
- worked in partnership with Shelter, Macmillan, The Royal British Legion and the Royal Air Force Benevolent Fund to deliver vital advice services to people facing homelessness, people affected

by cancer and to Armed Forces personnel, veterans, their partners and dependants


- been one of the key delivery partners for face-to-face advice in Money Guidance pathfinders across North East and North West England
- seen 85 per cent of local bureaux opening their doors for longer and at different times of day.

Even before the economic downturn there were large pockets of unmet need. A Legal Services Research Centre survey revealed in 2007 that of the third of people who experience legal problems in any one year, only 38 per cent succeed in getting help¹¹. As expected, our evidence shows a sharp upturn in the demand for advice during the recession, indicating this unmet need will have risen further.

On the other side of the recession consumers will still, as a result of it, face more dilemmas than ever, and many will require advice; advice on how to deal with debt, how to secure all of their entitlements, how to plan for a significantly altered financial future, and how to make the right choice of financial products.

While the provision of good, independent advice for all is a collective duty, it is one that the Citizens Advice service adopts a sense of absolute responsibility for. We are constantly striving to identify areas where we can work harder and smarter, to ensure we provide advice on the most pressing issues, where the demand is greatest, and to chip away at the unmet need.

To help us achieve our own pledge we make one final call on the next Government:

 Support Citizens Advice in its work to ensure that good advice and financial education are available to all citizens.



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Our principles

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. We value diversity, promote equality and challenge discrimination.

Our aims

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people's lives.



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