

Citizens Advice service
Social policy impact report
2009



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About us

What we do

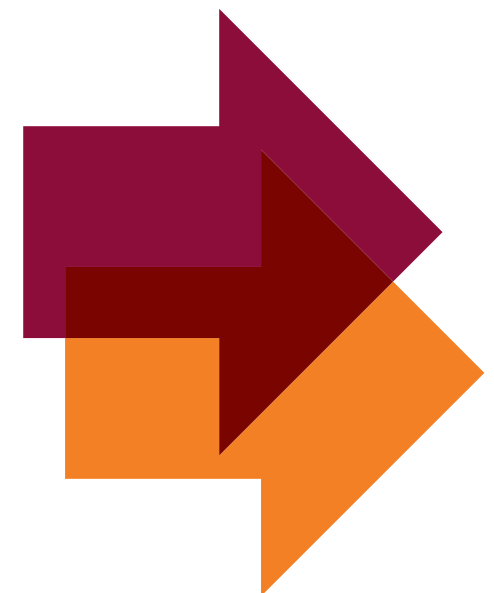
The Citizens Advice service provides free, confidential and impartial advice to help people resolve their problems. As the UK's largest advice provider we are equipped to deal with any issue, from anyone, spanning debt and employment to housing and immigration plus everything in between. In fact nearly half the population has used our service at some point in their life. 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, often without them even realising.

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, the 416 member 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 of them are volunteers and 6,000 are paid staff. What they all share in common is being highly trained and passionate about getting justice for their clients.



Introduction

The Citizens Advice service provides advice to the public and uses their experiences to campaign for change at policy level. Although we can quantify the people we help by giving advice, it is harder to assess how many people we help through policy work. We estimate that during 2008/09 we helped nine million people through our policy work and also helped millions more through significant work with partners.

This report highlights some of our successes and shows that the impact of our policy work is significant and wide-ranging. We would not achieve this influence without evidence from bureaux and their participation in campaigning activities. In 2008/09, over 80 per cent of bureaux were actively lobbying for change, carrying out local policy work as well as participating in national campaigns.

Working with government, companies, regulators, trade associations and consumer groups, our policy teams have secured many changes this year, including:

- Government focus on the take-up of benefits by low income households.
- Changes in the rules on earnings for people on employment and support allowance (ESA).
- Changes to support for mortgage interest (SMI) which will make it a more effective safety net against repossession for mortgage arrears.
- Regulation of sale and rent back agreements.
- A joint protocol with the Local Government Association (LGA) on best practice in collection and enforcement of council tax arrears.
- The introduction of state-led enforcement for Employment Tribunal awards.
- Increases to Warm Front grants to cover the full cost of energy efficiency measures.
- Provision in the Equality Bill against multiple discrimination.
- Government regulation to allow tenants two months to find a new home if their landlord is repossessed for mortgage arrears.
- Government regulation of letting agents.

We hope this report, which sets out the most significant changes we have achieved, will show people in the Citizens Advice service, policymakers and external stakeholders how our policy work really makes a difference.



Benefits and tax credits

Increasing take-up of in-work benefits and tax credits

“ We gave written and oral evidence to the Treasury Select Committee inquiry into the consequences of the abolition of the 10p tax rate. ”

What was the problem?

Take-up of state benefits is very low, particularly for eligible people in low-paid work: housing benefit (HB) and council tax benefit (CTB) are only claimed by 50 per cent of eligible working households, and only 20 per cent of eligible households without children claim working tax credit (WTC). The problem is compounded for many of these households who were net ‘losers’ following the abolition of the 10p tax rate from April 2008.

What did we do?

We gave written and oral evidence to the Treasury Select Committee inquiry into the consequences of the abolition of the 10p tax rate. We wrote to the Chancellor in April and October 2008, highlighting the financial loss to low-paid workers resulting from the abolition of the 10p tax rate. We urged him to ensure that all ‘losers’ were fully compensated, and took the opportunity to highlight the very low take-up of in-work benefits. In September 2008, we published a report, *Barriers to work*, which illustrated the importance of improving work incentives by ensuring high take-up rates.

What did bureaux do?

Bureaux sent in examples of their successful take-up projects.

What were the results?

In 2008 the Government’s Child Poverty Unit set up a take-up task force and asked us to be members. We contributed to discussions, and proposed the following solutions to improve take-up:

- Ensure better joint working across government departments to promote and administer each other’s benefits.
- Improve administration and therefore confidence in the ability of these services to deliver the benefits without error.
- Improve interaction of benefits and tax credits to ensure they work better together, and make it easier for clients to understand and meet reporting responsibilities.

The task force report was published to coincide with the Child Poverty Bill and included our first recommendation above.

In his 2009 Budget, the Chancellor announced:

- A range of take-up initiatives including the aim of increasing take-up of WTC for households without children by 100,000 claims.
- A commitment to coordinate the delivery of financial support across government, and to help local authorities improve take-up of tax credits and benefits.

What still needs to be done?

We want to encourage the Government to set higher targets for take-up of all key benefits, with regular reviews, and plans for how they intend to achieve them.

Benefits and tax credits

ESA: removing unfairness in the rules on permitted work

What was the problem?

In October 2008, ESA replaced incapacity benefit (IB) for new claimants who are unable to work due to ill-health. ESA is granted on the basis of either the claimant's national insurance history, or their current income.

Those receiving income-related ESA are allowed to earn a certain level of income from permitted work, which is then disregarded when they are assessed for any HB and CTB. In contrast, those receiving contribution-based ESA undergo a separate means test for these benefits (and for free prescriptions), and earnings from permitted work are not disregarded. Contribution-based ESA claimants could potentially be up to £60 a week worse off than their income-related equivalents. This was a clear case of unfairness, which Citizens Advice has highlighted since the initial legislation.

What did we do?

We raised our concerns with ministers and officials in the Department for Work and Pensions (DWP), briefed the Committee on the Merits of Statutory Instruments, the Social Security Advisory Committee, the Work and Pensions Select Committee and MPs taking part in debates on the Welfare Reform Bill.

What did bureaux do?

Bureaux, particularly in the north of England, wrote to their MPs to highlight how conspicuously unfair this was, and how difficult it would be to explain to clients.

What were the results?

The 2009 Budget contained provisions that mean that from 2010-11, the earnings limit for permitted work on contribution-based ESA, IB and severe disablement allowance (SDA) will be changed to align it with the limit for people receiving income-related ESA. Anyone on any of these benefits will be able to keep their earnings from permitted work, their benefit *and* their HB and CTB.

What still needs to be done?

The Government has clearly accepted the principle that it is wrong to treat one group of ESA claimants differently from another, simply on the basis of their entitlement to the benefit.

The Government should apply the same logic to contribution-based ESA and passported benefits: claimants on contribution-based ESA are not automatically entitled to HB and CTB, legal aid, free school meals and other help. They have to apply separately for each extra benefit. This is frustrating for claimants, and a waste of government resources.

“The Government has clearly accepted the principle that it is wrong to treat one group of ESA claimants differently from another.”

Benefits and tax credits

Other work on benefits and tax credits

Housing benefit back-dating

Further to our lobbying in 2007/08, we persuaded the DWP to undertake a measuring exercise, to try and quantify the impact of cutting the back-dating period. The Department ran a public questionnaire on its website.

Pensioner poverty

In spring 2009, the Work and Pensions Select Committee held an inquiry into pensioner poverty. Our written evidence to the inquiry led to our being one of only two voluntary organisations – the other being Age Concern/Help the Aged – invited to give oral evidence, which was televised, thus reaching a wide audience.

Key points in our evidence included the need for further effort to get pensioners to claim benefits they are entitled to; CTB could be made more acceptable by rebranding it as a 'rebate', and the 65-year age limit for the mobility component of disability living allowance should be abolished, and the allowance extended to people of all ages. The DWP has started take-up campaigns for pension credit in pilot areas across England and Wales, and is considering rebranding CTB as a rebate.

Jobcentre Plus and vulnerable customers

Many vulnerable people have found the new Jobcentre Plus telephone model a barrier to claiming benefits. Our 2007 report, *Not getting through*, highlighted these concerns, and we met with officials nationally while bureaux held local meetings.

Throughout 2007/08 Jobcentre Plus piloted a number of schemes to ensure that claimants got the right support from its services, and could access services appropriately. In June 2008 Jobcentre Plus introduced new processes to ensure that however the initial contact was made, the customer would be directed to the level of support appropriate to their needs. Contact centres, benefit delivery centres and local offices can and should be able to make face-to-face appointments for people who need them.

This system specifically recognises the needs of vulnerable people, and guidance is now available to help staff recognise vulnerable customers.

Working tax credit run-on

In our 2009 Budget submission and in letters to Treasury Ministers, we highlighted the problems faced by families who lost entitlement to WTC when their hours were cut or their partner lost their job – often as a direct result of the recession.

In the 2009 Budget, the Chancellor announced that the run-on for WTC would be extended to include those whose hours fall below 30 but remain above 16.

Credit and debt

Mortgage and secured loan arrears

What was the problem?

In 2007, we published *Set up to fail*, a report about the arrears problems faced by low income homeowners who had bought their homes with mortgages from sub-prime lenders who specialise in lending to people with poor credit records. The economic downturn has meant that more people than ever are seeking advice from bureaux about mortgage and secured loan arrears, often as a result of losing their jobs. For example:

In March 2009 a bureau in Surrey saw a man who had been made redundant in December 2008 and had claimed jobseeker's allowance (JSA). His wife worked full time, but was about to have her hours and salary reduced by 20 per cent by her employer because of the recession. The couple had an interest only mortgage of £144,000, with monthly payments of £670. They had managed to keep up their mortgage payment in January, but could only afford to make part payments in February and March. Their sub-prime lender was now charging £50 per month penalty because their account was in arrears.

It was important to ensure that Government and lenders were doing all they could to keep people in their homes wherever possible, when they fell into mortgage arrears.

What did we do?

We met with the DWP to persuade it to reform SMI in the benefits system, including increasing the capital limit, reducing the waiting period before any money is paid and reforming the standard interest rate used to calculate claims. As a result of the meeting, we agreed to undertake further research to establish how many CAB clients might be helped by changes to these rules.

Our research found that as many as 9,600 CAB clients could benefit from a change to the waiting period. The survey also highlighted the problems faced by couples who could not qualify for SMI because only one of them had suffered a drop in income. We sent the findings of this research to the Ministry of Justice (MoJ), DWP, HM Treasury, Department for Communities and Local Government (DCLG), the Office of Fair Trading (OFT), the Council of Mortgage Lenders (CML), and the Financial Services Authority (FSA). We subsequently responded to a consultation by the Social Security Advisory Committee about limiting SMI claims to a maximum of two years for JSA claimants.

We responded to the Civil Justice Council's consultation on the need for a pre-action protocol to specify what lenders should be expected to do before applying for court action for repossession. We also participated in a stakeholder working group on the content of the proposed protocol.

Together with the CML and Shelter, we lobbied the Government on the need to regulate sale and rent back agreements which allow struggling homeowners to sell their home quickly and stay as a tenant, (but at the cost of very limited security of tenure and of selling their home for much less than its value). We helped the OFT undertake research for its market study on this issue by finding CAB clients who would be willing to talk about their experiences. We also responded to consultations by the FSA and HM Treasury on sale and rent back regulation.

We gave our views to the MoJ on changes to mortgage possession law to ensure that courts have the right powers to prevent homeowners in mortgage arrears from losing their homes. We allowed MoJ staff to search our database of bureau evidence to inform their review.

We responded to a consultation by the OFT on draft regulatory guidance to second charge lenders to ensure that they are fair to borrowers in arrears. We allowed the OFT to search our evidence database to see how second charge lenders treat people in arrears.

We commented on draft guidance by the CML and the Finance and Leasing Association (FLA) to help their members treat borrowers in mortgage or secured loan arrears fairly and in accordance with regulation.

“At a reception for advice workers, Howard Springett, court desk adviser at Kingston CAB, raised concerns directly with the Prime Minister, about sub-prime lenders' arrears charges.”

We have helped the Government flesh out the details of homeowner mortgage support (HMS), which is intended to help people who have experienced a change in circumstances but who are not eligible for the means-tested benefits which include SMI.

Together with AdviceUK, the Money Advice Trust (MAT) and Shelter, we surveyed advisers in April 2009 to establish the effectiveness of Government and industry initiatives to lessen the impact of rising mortgage arrears and repossessions. Advisers reported improvements in how mainstream lenders were collecting mortgage arrears, but had seen no change in the practices of sub-prime and secured lenders.

We met with the FSA to discuss its work on mortgage regulation. We have given it our evidence on mortgage arrears charges and have been asked to feed in ideas for its discussion paper on the mortgage market review.



Credit and debt

Mortgage and secured loan arrears continued

What did bureaux do?

Bureaux participated in the 'ring round' survey in August 2008 and the adviser survey in April 2009.

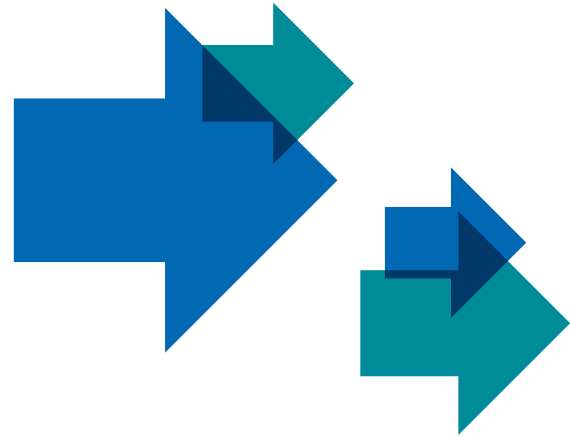
At a reception for advice workers, Howard Springett, court desk adviser at Kingston CAB, raised concerns directly with the Prime Minister, about sub-prime lenders' arrears charges.

What were the results?

A pre-action protocol for mortgage possession claims was introduced on 18 November 2008, nearly six months earlier than planned. This measure should help all people in mortgage or secured loan arrears. At the end of 2008, 219,100 mortgages were in arrears of more than three months.

In January 2009, the Government introduced changes to SMI to increase the capital limit from £100,000 to £200,000, and to reduce the waiting period from 39 to 13 weeks. It also agreed to keep the standard interest rate for SMI at 6.08 per cent for a year. The DWP estimates that these measures could help prevent 10,000 repossessions. Our April 2009 research found that the SMI changes were having some impact on the practices of lenders, with 30 per cent of advisers reporting that lenders are now less likely to take court action.

The OFT's market study of sale and rent back schemes recommended that these schemes should be regulated by the FSA.¹ In June, the FSA announced that interim regulation of sale and rent back schemes would come into



force from 1 July 2009, and full regulation would be in place by mid-2010.² The OFT market study estimated that by the summer of 2008, about 53,000 households in the UK might have entered into a sale and rent back transaction.

On 21 April 2009, the Government launched the homeowner mortgage support scheme (HMS). Mortgage lenders covering more than 80 per cent of the mortgage market will now be providing enhanced support to their customers.³

On 22 June 2009, the FSA announced that its review of mortgage arrears and repossessions had found continued weaknesses in the way in which sub-prime lenders were dealing with people in mortgage arrears. It had referred four firms to enforcement.⁴

What still needs to be done?

We will publish further research on mortgage arrears and repossessions in December 2009.

¹ *Sale and rent back – an OFT market study*, October 2008.
² FSA press release, 3 June 2009.
³ DCLG press release, 21 April 2009.
⁴ FSA press release, 22 June 2009.

Credit and debt

Self-help debt advice

What was the problem?

In the current economic climate, demand for debt advice has increased. Advice agencies can conduct negotiations with creditors on behalf of clients, but many people are confident enough to negotiate themselves. Advice agencies found, however, that creditors treated such clients less sympathetically than those whose negotiations were carried out by an advice agency, resulting in unnecessary work for advisers.

A West Midlands bureau reported that they were giving advice and support to a lone parent who was trying to negotiate with her creditors. She had sent offers and a financial statement to her credit card company and two banks, but all of them refused to consider her token offers unless they came from the CAB. This experience seriously eroded the woman's confidence.

What did we do?

Together with AdviceUK, the Institute of Money Advisers (IMA) and the MAT, we wrote a report, *With a little help from my friends*, setting out best practice recommendations for both advisers and creditors. The report was based on an online survey of people who had negotiated with their creditors for themselves, 15 interviews with advisers, and several creditors and debt collectors. Our main recommendation was that a working group consisting of advice sector and credit and debt collection industry representatives should devise a good practice model for self-help.

The report was launched on 4 November 2008 at the CAB Money conference, with the support of the advice sector and the credit and debt collection industries.

“ This work will help up to 500,000 people whom advice agencies help to negotiate with their creditors for themselves. ”

What were the results?

The working party was set up in early 2009, and a standardised method of delivery has been agreed for assisted self-help services, where the client has received guidance from an advice agency. The model has been agreed by the British Bankers Association (BBA), and is under consideration by the FLA and the Credit Services Association.

The Department for Business, Innovation and Skills (BIS) has agreed to provide funding to produce the standardised materials, offer an online advice service and provide training for advisers and creditors.

This work will help up to 500,000 people whom advice agencies help to negotiate with their creditors for themselves.

Credit and debt

Improving bailiff practices

What was the problem?

For many years, Citizens Advice has lobbied Government about the behaviour of private bailiff firms enforcing debts such as council tax, child support, magistrate court fines and parking penalty charges. In 2006, we launched a service-wide campaign on bailiffs, *Putting bailiffs on the spot*, to coincide with the publication of the Tribunals, Courts and Enforcement Bill which contained reforms to bailiff law. The campaign successfully persuaded the Government to consult on whether bailiffs should be regulated. Whilst the Bill has now obtained Royal Assent, reforms to bailiff law are unlikely to come into force until 2012. The work of the campaign therefore goes on to improve bailiff practices:

A Bedfordshire CAB was helping a lone parent of two children with her debt problems. She had been the victim of domestic violence and had got into debt because her ex-partner had control of the household budget, but was not paying the bills. When he left, she had little money to live on. Her council tax debt had been sent to the bailiffs for collection. The client told the CAB that the bailiff would not accept less than £250 per month, and when she explained to him that she could not afford this much, he threatened her with prison. Even when she told him that she was a victim of domestic violence, the bailiff said that he did not care and he would still take her goods. The bailiff's threats made the client and her children cry. Her children were so afraid that the bailiff would take all their toys that they made their mother box them up and hide them in case the bailiff came back. The client felt she had no option but to go without food to try and pay the bailiff.

What did we do?

We have met with officials from the MoJ who are tasked with implementing the legislation. Issues we have discussed with them include the detail of independent regulation of the bailiff industry, implementation of the legislation and changes to bailiff fees.

In November 2008, we published a report highlighting the achievements of the CAB *Putting bailiffs on the spot* campaign and a good practice protocol for bureaux to use with local authorities to improve the way they collect and enforce their council tax debts. The protocol was based on examples of what bureaux had managed to negotiate with their local authority and bailiffs.

We asked the LGA and the Institute of Ratings, Revenues and Valuation (IRRV) if they would endorse our protocol, and subsequently spoke at the IRRV's enforcement conference in June 2009.

We participated in meetings of the Enforcement Law Reform Group, which brings together bailiffs, consumer groups and other interested parties. These meetings have allowed us to discuss good practice with the bailiff industry and to explore how regulation could be made effective.

We met with the Security Industry Authority, who will be the independent regulator of the bailiff industry, to give our views on how it could effectively regulate bailiffs.

What did bureaux do?

More than 130 bureaux took part in the bailiff campaign, compiling over 500 bailiff audit forms. Nearly 50 bureaux took the campaign further at a local level, by holding meetings with their local authorities and bailiffs. These are published in the October 2008 report, *Outcomes of the Putting bailiffs on the spot* campaign.

Campaigners from North Somerset CAB achieved some important policy changes when they met their local authority: It changed its policy on when and how to refer cases to bailiffs and set limits on what the bailiffs could do and charge when collecting council tax arrears.

What were the results?

In March 2009, the MoJ announced that it would be implementing new interim measures to extend county court bailiff certification in advance of implementing full regulation of the bailiff industry. It also made a commitment not to implement the provisions in the Tribunals, Courts and Enforcement Act 2007 to allow bailiffs the power of forcible entry. However, statutory regulation is unlikely to be in place until 2012.⁵

The LGA and IRRV have agreed to endorse our protocol to their members in England and similar work is underway in Wales.

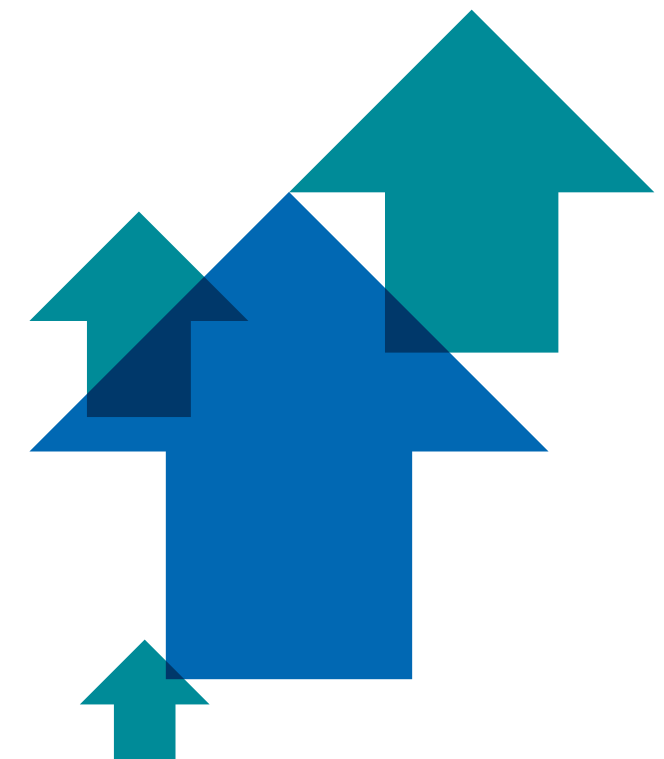
“ More than 130 bureaux took part in the bailiff campaign, and nearly 50 bureaux took the campaign further at a local level. ”

There are no definitive statistics on the total number of distress or execution warrants every year. However, about 1.1 million distress warrants for council tax are issued each year.⁶

What still needs to be done?

We will continue to lobby the MoJ to ensure that independent bailiff regulation will effectively tackle the problems we have identified in the bailiff industry.

We need bureaux to persuade their local authority council tax collection department to sign up to our protocol.



⁵ MoJ press release, 17 March 2009.

⁶ 2005 statistics from Chartered Institute of Public Finance and Accountancy, quoted in *Struggling to pay council tax – a new perspective on the debate about local taxation*, by Michael Orton, published by Joseph Rowntree Foundation in September 2006.

Credit and debt

Other work on credit and debt

Payment protection insurance

Early 2009 saw the final outcome of our 2005 super-complaint on the cost and effectiveness of payment protection insurance (PPI). The Competition Commission issued its final report in January 2009, in which it banned the sale of single premium PPI. This will benefit around four million people.

Access to bankruptcy for people at risk of violence

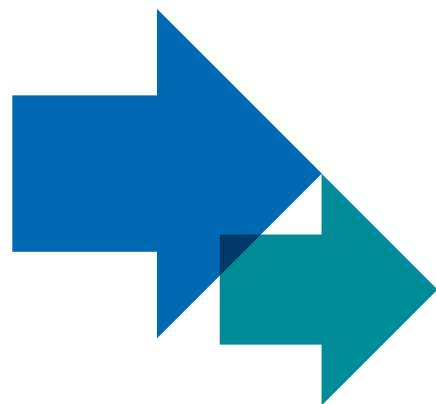
In 2005 the Insolvency Service invited us to suggest changes to the Insolvency Rules. In our response, we highlighted that the requirement for the bankrupt's name and address to be made public could act as a barrier for people fleeing domestic violence to seeking relief from their debt problems. The Insolvency Service proposed new provisions to allow parties to apply to the court for an order limiting the normal procedure for publication of their current residential address. The new provisions would be available to any debtors who could satisfy the court that this protection was required. The new rules come into force in October 2009.

Breathing space for people seeking debt advice

We persuaded the Government and the credit card industry to give people seeking debt advice up to 60 days breathing space, as part of a package of measures to help people experiencing financial difficulties in the current recession. Debt collectors, banks and utility companies have since agreed to implement the breathing space.

Action against unacceptable debt collection and debt management practices

During the passage of the 2006 Consumer Credit Act through Parliament, Citizens Advice lobbied in favour of additional powers for the OFT to take effective action against harsh debt collection practices and poor service from debt management companies. These powers came into effect in October 2008. The OFT has used bureau evidence and complaints, to take regulatory action to impose requirements on the debt collection firm, 1st Credit, and has also told 11 debt management companies with 'look-alike' websites posing as official or charity advice sites to close the websites immediately.



Discrimination and equality

Equality Bill

What was the problem?

The Government published the Equality Bill in April 2009. Its aim was to strengthen and simplify the law on discrimination. Citizens Advice strongly supports the Bill, but wished to lobby to improve it by:

- extending to all regulators the duty on public bodies to take account of socio-economic disadvantage in their planning and policy-making.
- ensuring that the Bill includes provisions on multiple discrimination.

A man sought advice from a CAB in the South West about redundancy. He and a colleague had been selected: both were the youngest in their departments and had requested paternity leave for the next two months. The client also had poor literacy skills and he felt that he had been overlooked for training because of this.

What did we do?

We responded to the Equality and Human Rights Commission's (EHRC) human rights inquiry and the Draft Equality Bill, building on our previous submissions to the Discrimination Law Review and the Phillips Equalities Review, and briefings on the 2006 Equality Act.

We gave evidence to the Work and Pensions Select Committee on the work of the DWP and the Equality Bill.

We have taken an active role in the Equality and Diversity forum, to shape its responses to emerging issues.

We submitted papers to the Government Equality Office (GEO) on multiple discrimination and socio-economic disadvantage.

As the Bill has passed through Parliament, we have liaised regularly with the Bill officials, and issued briefings for MPs at all stages, persuading MPs to put down amendments for us.

What did bureaux do?

We ran a series of workshops to help bureaux undertake campaigning on equality and human rights issues. Over 150 bureau staff attended the training and several projects were started, including: improvements to local Jobcentre Plus services for disabled customers; the establishment of an Equality and Diversity forum in one London borough and media work to tackle discrimination against Gypsies and Travellers.

What were the results?

The Bill has wide coverage of different equality grounds, including a public duty covering socio-economic disadvantage. Citizens Advice Chief Executive, David Harker was appointed to the ministerial advisory group on the Equalities Bill.

On 25 June 2009, the Government put down an amendment to the Bill to include multiple discrimination, based on the strength of our submission.

What still needs to be done?

We will continue to lobby on the Equality Bill as it continues through Parliament.

Employment

Enforcement of unpaid Employment Tribunal awards

What was the problem?

When someone brings a case to an Employment Tribunal, winning the case is only one step on the way to a successful outcome: Employment Tribunals have no powers to enforce their own awards, so if the employer refuses to pay the award, the claimant can only enforce it by complex, time-consuming – and potentially expensive – legal action in the civil courts. This means that many vulnerable employees go through the stress of a tribunal, but still don't receive any compensation.

A Shropshire CAB reported that a woman was owed £560 when she left her job. The company did not dispute that they owed her the money, but did not pay her. Eventually, the woman took her ex-employers to a tribunal and won her case, but she had to enforce the judgment through the county court. The client chose to enforce the judgment by a bailiffs' warrant, but when the bailiffs went to the company's registered office, they were unable to execute the warrant because it was just a lock-up. The bailiffs were unsure whether the company was still trading. The client was now owed nearly £700 with court costs, and wanted to know if there were other more effective ways she could enforce the award.

What did we do?

For eight years, Citizens Advice has been highlighting this problem, with three reports published since 2001. The latest report, *Justice denied*, published in October 2008 researched some 1,000 cases of unpaid Employment Tribunal awards dealt with by bureaux in England and Wales each year, and highlighted how rogue employers can simply fail to pay.

During 2007, we raised the issue during both the Gibbons Review of Employment Tribunals, and through the Government's Vulnerable Worker Enforcement forum. In 2008, we pressed for a change in the law as the 2008 Employment Bill passed through Parliament. We gathered support from peers in the House of Lords and MPs in the House of Commons, who put forward an amendment to the Bill. Although the amendment itself was ultimately unsuccessful, the ensuing parliamentary debates ensured that the issue remained on ministers' desks for an extended period.

Both the Trades Union Congress (TUC) and the Confederation of British Industry (CBI) supported the campaign. Citizens Advice staff met with ministers, opposition spokespeople and officials to present ideas on how to change the law.

This pressure led the MoJ to conduct its own research into the non-payment of Employment Tribunal awards. In November 2008, we learnt that this research showed that 39 per cent of awards go unpaid, and that a further eight per cent are only part paid.

What did bureaux do?

We encouraged bureaux across England and Wales to write to their MPs, citing examples from their own advice work.

What were the results?

On 19 May 2009, the MoJ announced that it will introduce "tough new measures to improve the payment of Employment Tribunal awards". In particular, the Ministry will contract a commercial firm of High Court Enforcement Officers to conduct pro-active enforcement on behalf of individual claimants, which we understand is likely to be operational in late 2009 or early 2010. Originally suggested by Philip Tsamados of Central London Law Centre, this measure was a key recommendation of *Justice denied*.

Citizens Advice has a history of campaigning tirelessly to achieve justice for people who are unfairly treated. This social policy success is a positive example of the entire organisation working together to achieve real change, and as a result of this success Citizens Advice was short listed for the Voluntary Sector Campaign of the Year in the prestigious *Public Affairs News* awards.

“On 19 May 2009, the Ministry of Justice announced that it will introduce “tough new measures to improve the payment of Employment Tribunal awards”.”



Essential services

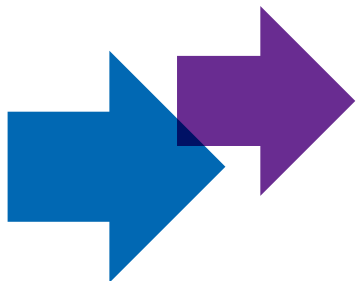
Fuel poverty

What was the problem?

In recent times the price of gas and electricity has rocketed, making it more difficult for the Government to eradicate fuel poverty by 2010. Consumers who use pre-payment meters to pay for fuel have been hit hard, because fuel companies impose large and increasing surcharges for this payment method.

Rising fuel bills mean that energy efficiency measures are even more pressing. Bureau evidence, however, has shown that Warm Front grants – the Government's principal means of tackling fuel poverty in England – fail to cover the cost of energy efficiency measures.

A CAB in North London saw a 76 year old disabled woman on pension credit. The client's osteoporosis meant she could not reach down to operate her gas fire. Her only means of keeping warm was a hot water bottle. Her 50 year old hot water boiler needed replacing, so she applied for a Warm Front grant. She got £2,700, but the new boiler would cost £3,601. The client had no money for the shortfall. Applications for help were made to the local authority and various charities, but to no avail.



What did we do?

We have submitted written evidence to three parliamentary select committee inquiries on fuel poverty.

Ofgem, the fuel regulator, announced a probe of the energy supply market in summer 2008. We submitted evidence to the fuel probe, and responded to consultations on possible action Ofgem could take to rectify the problems it found.

We met representatives from the National Audit Office (NAO) which was investigating the operation of Warm Front and gave them access to our evidence. The NAO recommended that the Department for Energy and Climate Change (DECC) should establish what proportion of the 20,400 households who had either cancelled their application or had not progressed it did so because they could not afford to pay the difference between the grant available and the cost of the proposed work.

We attended a DECC ministerial fuel poverty stakeholder meeting in November 2008 where Warm Front grant shortfalls were discussed. Subsequently we wrote to the Minister with an analysis of our evidence, highlighting that this was an issue in England, but not in Wales where the equivalent grant is much higher.

We have worked with Ofgem on the Energy Best Deal campaign to inform people about what help is available.

The lack of regulation of domestic central oil and liquified petroleum gas (LPG) prices affects people living in rural areas without mains gas.

We raised this concern in our response to the Ofgem fuel probe and in an article for *Evidence* journal, and asked the Government to include proposals to regulate these fuels in the forthcoming Consumer White Paper.

What did bureaux do?

Flintshire and Melton bureaux wrote reports about the impact of rising fuel prices on clients on low incomes. Melton's report was sent to the chief executives of the six main fuel suppliers.

What were the results?

As part of its follow-up to the fuel probe, Ofgem proposes to ban unfair price differences to reflect the supplier's costs of offering those payment methods.

Ofgem will also toughen up rules on doorstep sales, by ensuring companies give customers written quotations and – for pre-payment meter customers – proof that the offer made on the doorstep is better than their existing deal.

In April 2009, the Government immediately increased Warm Front grants by £800 for households connected to mains gas, and £2,000 for those which are not.⁷ This will help up to 20,000 people who previously could not pay the shortfall between the inadequate grant and the actual cost.

In 2006 there were approximately 3.5 million households in fuel poverty across the UK, an increase of one million since 2005.⁸ Nearly 2.6 million households use pre-payment meters to pay for at least one fuel.⁹

“Ofgem proposes to ban unfair price differences and will toughen up rules on doorstep sales.”

Bureaux and their financial capability partners delivered up to 280 Energy Best Deal sessions designed to reach 1,400 householders and 1,400 frontline workers. The programme will have ongoing impact through the advice work of the frontline workers.

What still needs to be done?

We will continue to seek to influence the outcomes of the Ofgem fuel probe.

We are seeking further funding to enable us to continue the Energy Best Deal campaign.

Other work on essential services

Cashback and mobile phone mis-selling

In March 2008, the telecoms regulator, Ofcom, consulted on whether to introduce statutory regulation to tackle mobile phone mis-selling, including cashback offers. In March 2009, it announced it had decided to regulate as it was still receiving 200 complaints per month on general mobile mis-selling. The new licence condition will be introduced in September 2009.¹⁰ Ofcom estimates that the potential consumer detriment of not being able to successfully claim cashback lies in the range of £50–£60 million over a one to two year period.¹¹

⁷ DECC press release, 23 April 2009.

⁸ *Sixth Annual Progress Report for the UK Fuel Poverty Strategy*, BERR and DEFRA, September 2008.

⁹ Ofgem press release, 6 October 2008 states that 12 per cent of the UK population uses pre-payment meters.

¹⁰ Ofcom press release 17 March 2009.

¹¹ *Protecting consumers from the mis-selling of mobile telecommunications services*, Ofcom, March 2008.

What was the problem?

Legal aid is 60 years old this year, and in the current economic climate it is needed more than ever for those facing eviction, job loss or court action for debt. Citizens Advice Bureaux are reporting that finding legal help to solve problems is getting more difficult. Fewer solicitors firms are now providing legal aid services and so people have to travel long distances to see a specialist solicitor. Furthermore, the number of people eligible for legal aid is dropping – less than a third of the population of England and Wales is now entitled to it. Changes in the way legal aid is delivered have also made it difficult for solicitors and advice agencies to provide a free service.

A woman with three children sought advice from a Somerset bureau about legal aid. She earned £403 per month from her part-time job, topped up with WTC of £110.42 per week, child tax credit of £126.95 per week, and child benefit of £43.90 per week. She needed legal aid to contest legal proceedings from her violent ex-partner who wanted access to their two children. The woman had just been notified that she did not qualify for legal aid because her income was too high. The solicitor who was dealing with the case would not do any more work on her case, and was pursuing outstanding legal fees of £125 per hour plus VAT, which she could not afford to pay. The woman was extremely worried about how she could pay the bill.

What did we do?

We met with officials from the Legal Services Commission (LSC), which runs the legal aid system, to discuss commissioning issues and the impact of introducing fixed fees and other reforms such as Community Legal Advice Centres. We also responded to the LSC consultation on the content of the civil legal aid contract from 2010 onwards.

We undertook research for our 2009 report on legal aid, *No time to retire – legal aid at 60*. The research involved two surveys of bureau experience of legal aid in the autumn of 2008 and spring 2009, a survey on Adviceguide of public experience of legal aid, and research about public attitudes to legal aid using a representative.

We undertook joint lobbying with the Law Society and Advice Services Alliance and other stakeholders about civil legal aid reform, involving meetings with ministers and supporting campaigns such as *What Price Justice* and the *Access to Justice Alliance*.

We were asked to join the steering group for the local legal aid review led by the Legal Aid Minister, Lord Bach. We met with the team working on the ministerial review and submitted written views.

We also met with opposition parties to discuss their plans for civil legal aid.

What did bureaux do?

Bureaux took part in the surveys of legal aid. Some – for example, West Wiltshire-wide CAB – wrote local reports about access to publicly funded legal advice in their areas.

What were the results?

In March 2009, the Legal Aid Minister, Lord Bach, announced that he would increase the eligibility limits for civil legal aid by five per cent from 6 April 2009. This measure would make an extra 750,000 people potentially eligible for civil legal aid.¹²

In June 2009, the MoJ published the findings of the ministerial review into local legal aid.¹³ Its recommendations included measures to monitor the impact of new fee schemes on the behaviour of legal aid providers to ensure that clients are not disadvantaged and also measures to consider the financial impact on those providers. Further recommendations dealing with the reduction of bureaucracy for legal aid providers will ensure that more resources can be used to deliver advice, while discussions aimed at increasing the support for preventative, educative and pro bono work will support the provision of more holistic advice services. This work will benefit the two million people in England and Wales who receive help from civil legal aid every year.

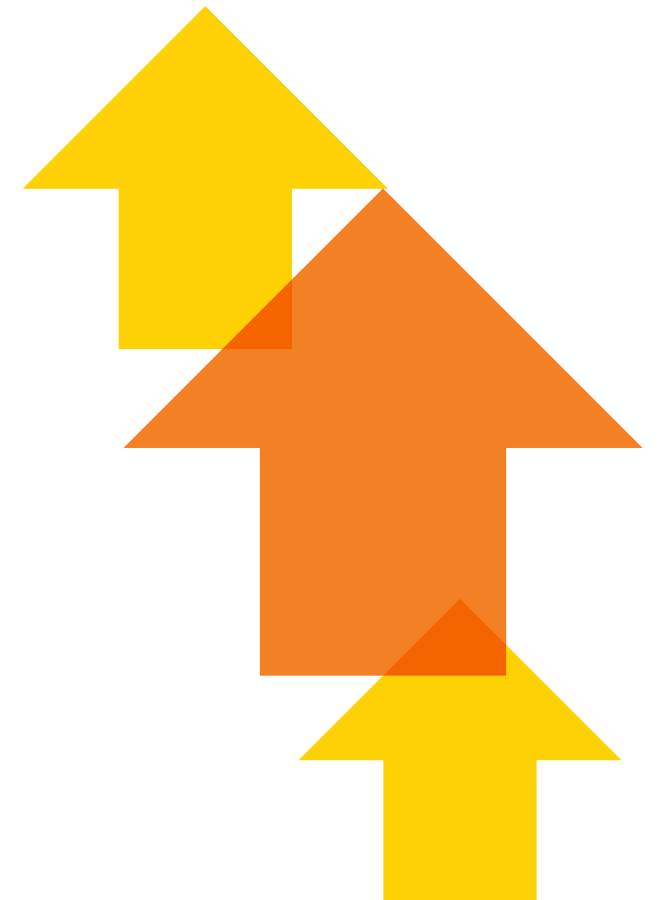
¹² MoJ announcement, 20 March 2009.

¹³ *Study of legal advice at local level*, June 2009.

What still needs to be done?

In July 2009 we published *No time to retire – legal aid at 60*, to highlight the need to ensure that civil legal aid is more accessible.

“Legal aid is 60 years old this year, and in the current economic climate it is needed more than ever.”



Housing

Safeguarding private tenants against repossession when landlords fall into mortgage arrears

What was the problem?

Assured shorthold tenants have few rights: landlords can evict tenants without reason and with only two months notice (outside a fixed term) by obtaining a possession order through the courts. Where the borrower has a buy-to-let mortgage, the lender will usually have given consent for the property to be let, which means that the terms of the tenancy are binding on the lender and the tenant's statutory rights are not affected. However, where a lender has not agreed to the property being let, and takes possession action against a defaulting borrower/landlord, the tenant loses even these basic rights.

In these situations, the property rights of the lender effectively trump the housing rights of the tenant, despite the fact that the tenant is the innocent party.

The only warning the tenant gets of the repossession is a notice which must be sent before the hearing, addressed to 'The Occupier', and a Notice of Eviction shortly before the court bailiff comes to carry out the eviction. However it is clear from bureau evidence that this notice to 'The Occupier' is not always an effective warning, and the first the tenant may know about what is happening is when the bailiffs arrive to evict them.

A Surrey CAB reported the case of a lone parent with two children who had been renting a property for 10 months. She came back from a holiday to find that the locks had been changed and there was a notice announcing that a possession order had been made. After a two hour wait, a representative from the lenders turned up and let her in under supervision for ten minutes to collect a few necessary possessions, including her son's GCSE work. The client and her children were left very upset and she had great difficulty arranging for access in order to collect the rest of her possessions.

It is impossible to quantify the extent of this problem because such tenants are inevitably hidden in the statistics. However over the last year, the CAB service has dealt with around 1,000 cases of tenants threatened with homelessness as a result of their landlord being repossessed, and this is likely to be only the tip of the iceberg.



What did we do?

Citizens Advice, Crisis, Shelter and the Chartered Institute of Housing jointly called on the Government to take urgent action to amend legislation so that, where a tenanted property is being repossessed, the judge has the discretion to defer possession for a limited period to give the tenant time to find somewhere else to live.

With our partners, we published a joint report, *A private matter*, which was launched on 27 March 2009, and which received considerable press coverage, including a Radio 4 feature on the *Today* programme to which the Minister responded.

What did bureaux do?

We encouraged bureaux to write to their MPs, resulting in over 100 signatures on an Early Day Motion on the issue.

What were the results?

In response to the campaign, Housing Minister Margaret Beckett announced on 13 May that the Government would legislate "at the earliest opportunity to provide proper and adequate two months notice of eviction for tenants of any necessary move when their landlord is repossessed". This measure was included in the Consumer White Paper of July 2009.

What still needs to be done?

The challenge now is to make sure that the necessary changes happen quickly – with 65,000 repossessions expected this year, this is a change which is needed now.

The issue also highlights the broader problem of the fragility of private tenants' rights. Citizens Advice will continue to call for improved rights for tenants, through the Government's current consultation on private rented sector reform – *The private rented sector: professionalism and quality*.

“In response to the campaign, Housing Minister Margaret Beckett announced that the Government would legislate “at the earliest opportunity to provide proper and adequate two months notice of eviction for tenants of any necessary move when their landlord is repossessed”.”

Housing

Regulation of letting agents

What was the problem?

Letting agents can currently charge whatever fees they choose – often adding up to hundreds of pounds – for a service that can be very poor. These charges are not always made clear to prospective tenants at the start of the process.

A bureau in Berkshire advised a young couple who had moved into their rented accommodation in November 2008. They paid £329 in administration charges to the agent, as well as a deposit of £850. Almost immediately they had problems with things going wrong in the house but were unable to get the agent to do anything to remedy the matter. Problems included an insecure front door, only very hot water to the shower and bath, no smoke alarm, water penetration, mould and rats. When in frustration they contacted the landlord, they found that he had also written to complain about the service he was receiving from the agent. Whenever the clients contacted the agent, they were told that the relevant person was on holiday and no one else could make decisions.

There was growing interest in Government on the regulation of letting agents. However the impact of these additional charges was not on the reform agenda.

What did we do?

Over a three month period, we ran an online survey of 1,330 tenants who visited Adviceguide, to gather the experiences of people who had rented through an agent in the last two years. We also designed a monitoring exercise to enable bureaux to collect local evidence from letting agents on their charges.

Together with material submitted by bureaux, this information formed the evidence base for a report, *Let down*, launched on 22 May 2009, which argued the case for regulation of letting agents, and highlighted the range of charges.

What did bureaux do?

Fifty one bureaux across England and Wales visited 424 letting agents in their local areas and asked a series of questions about whether additional charges were made, whether the agent accepted people on housing benefit and whether they were members of a trade body. Bureaux sent copies of the resulting report to their local MPs asking them to support the recommendations in future parliamentary debates around private rented sector reform.

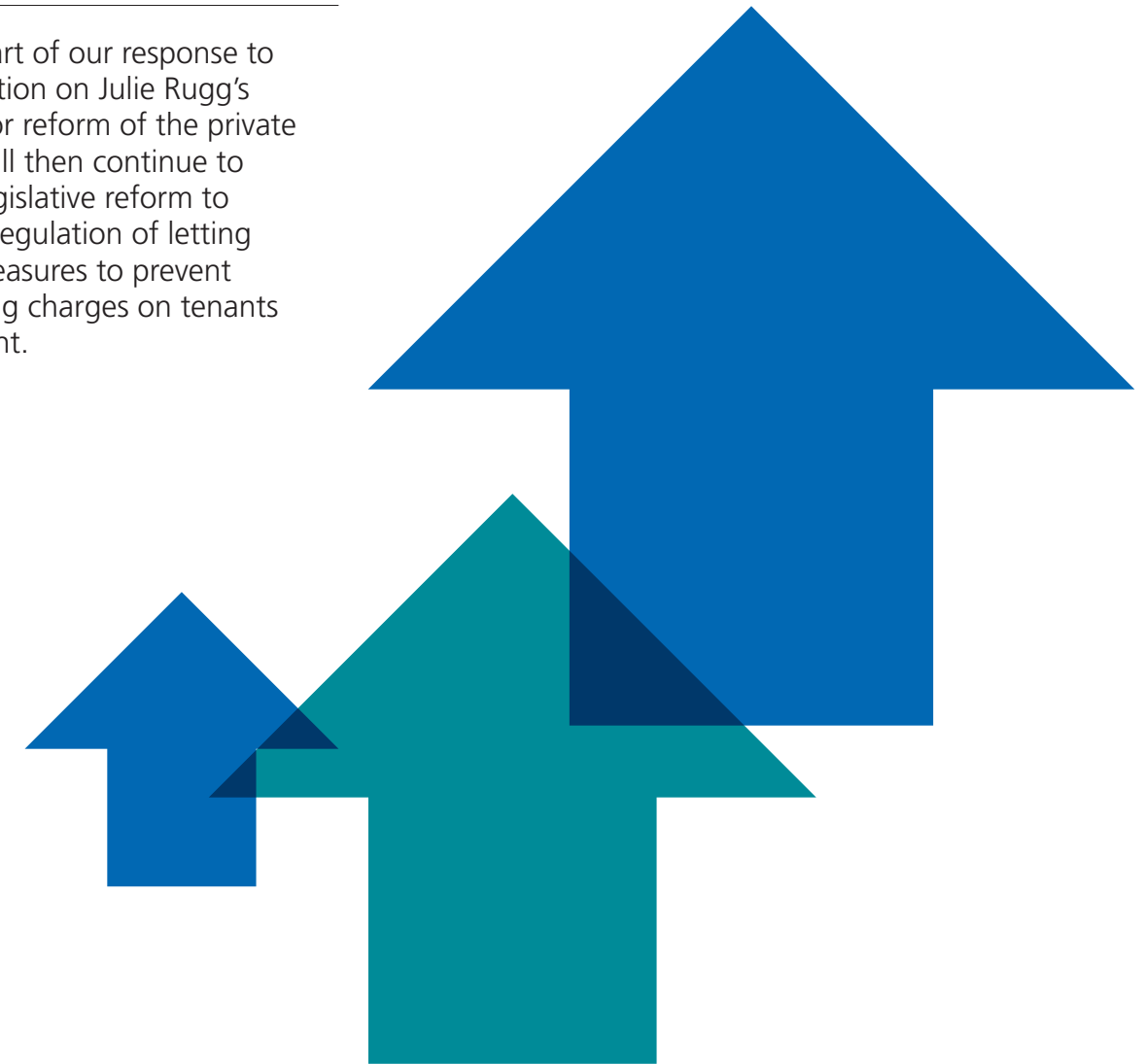
What were the results?

The report received widespread publicity and has fed into the Government's wider review of private rented sector reform. Citizens Advice has been invited onto the DCLG Task and Finish Group which will flesh out proposals for the regulation of letting agents.

What still needs to be done?

The report will be part of our response to the DCLG's consultation on Julie Rugg's recommendations for reform of the private rented sector. We will then continue to press the case for legislative reform to introduce statutory regulation of letting agents, including measures to prevent agents from imposing charges on tenants in addition to the rent.

“ Fifty one bureaux across England and Wales visited 424 letting agents in their local areas to ask a series of questions. ”



Other policy activities

School costs

We have continued to highlight the costs of school uniforms, trips and other expenses. In 2008/09, we responded to consultations on complaints and admissions codes, and took part in the school costs research steering group, which led to the publication of a government report on costs. New government guidance on uniforms was launched in October 2008 and on charging policies in February 2009.

Child maintenance

In 2008, the Child Support Agency (CSA) came under the management of the new Child Maintenance and Enforcement Commission (CMEC). A rigorous debt recovery regime was initiated, resulting in an increase of around 25 per cent in enquiries to bureaux from non-resident parents, illustrating how they could be forced into hardship by current CSA debt recovery practices.

We highlighted the problem to senior officials at the CSA, and offered comparisons with best practice from the commercial sector, and are discussing how to improve debt recovery methods for the most vulnerable clients.

Mystery shopping of dental helplines

In many parts of the country, there is still a significant mismatch between the demand for and supply of NHS dentistry. The local situation is constantly changing and the challenge for Primary Care Trusts (PCTs) is to ensure accessible, well publicised and effective information for patients about local provision.

Every PCT now has a dental helpline and during August and September 2008, bureaux undertook mystery shopping of 55 dental helplines across England, to assess their accuracy and usefulness.

We compiled the findings of the survey with recommendations for improvements, and presented the report to the Chief Dental Officer who published it on the Department of Health website, and said it would be very helpful in improving PCT performance on access to dentistry.

Tax for low-income pensioners

In 2008, we successfully saved 420,000 low-income pensioners from an unexpected back-dated tax bill. When Her Majesty's Revenue and Customs (HMRC) failed to communicate in good time to recover this tax for 2008/09, we lobbied to ensure that the tax was written off for a second time, and that proper communications took place before the tax could be collected.

2007 floods

In 2008, the Cabinet Office set up the Pitt review team to learn lessons from the 2007 floods. We invited the team to access our evidence, and arranged for members to visit three of the bureaux in the worst affected areas – Hull, Wychavon and Gloucester. Our concerns were reflected in the final Pitt report on responding to flood emergencies.

List of acronyms

BBA	British Bankers Association	HMRC	Her Majesty's Revenue and Customs
BERR	Department for Business, Enterprise and Regulatory Reform (now BIS)	HMS	Homeowner mortgage support
BIS	Department for Business, Innovation and Skills (formerly BERR)	IB	Incapacity benefit
CBI	Confederation of British Industry	IMA	Institute of Money Advisers
CMEC	Child Maintenance and Enforcement Commission	IRRV	Institute of Ratings, Revenues and Valuation
CML	Council of Mortgage Lenders	JSA	Jobseeker's allowance
CSA	Child Support Agency	LGA	Local Government Association
CTB	Council tax benefit	LPG	Liquefied petroleum gas
DCLG	Department for Communities and Local Government	LSC	Legal Services Commission
DECC	Department for Energy and Climate Change	MAT	Money Advice Trust
DEFRA	Department for Environment, Food and Rural Affairs	MoJ	Ministry of Justice
DWP	Department for Work and Pensions	NAO	National Audit Office
EHRC	Equality and Human Rights Commission	Ofcom	Office of Communications
ESA	Employment and support allowance	Ofgem	Office of the Gas and Electricity Markets
FLA	Finance and Leasing Association	OFT	Office of Fair Trading
FSA	Financial Services Authority	PCT	Primary Care Trust
GEO	Government Equality Office	PPI	Payment protection insurance
HB	Housing benefit	SDA	Severe disablement allowance
		SMI	Support for mortgage interest
		TUC	Trades Union Congress
		WTC	Working tax credit

Our principles

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges 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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