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# Does Providing Debt Advice to Offenders Have an Impact on Life After Prison?

A Debt Advice Research Report

### Access2Advice

This report will focus on the impact of debt and financial advice on offenders preparing to leave prison focusing on the work of Access2Advice.

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This report was undertaken in partnership with the University of Derby Internship Programme and Access2Advice.

The research within this report was conducted by Johanna Rosser of the University of Derby and supervised by Bethany Onions of Access2Advice.

The report was completed by Johanna Rosser of the University of Derby and overseen by Bethany Onions of Access2Advice.



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# Introduction

## *Reoffending Facts and Figures*

In England and Wales, the reoffending rate for those leaving prison is 48% (Prison Reform Trust, 2018). For offenders who have spent less than 12 months in prison, the reoffending rate increases to 64%. Therefore, almost half of those leaving prison will return within two years of completing their sentence. The current cost of keeping a person in prison per year is £24,249 (Ministry of Justice, 2016). Therefore, if this high level of expenditure can be avoided or reduced it would have a positive impact on the economy (Ministry of Justice, 2016 and Prison Reform Trust, 2018).

## *Report Focus*

This report will focus on the impact of debt and financial advice on offenders preparing to leave prison. The report will analyse existing research on the use of debt advice to help with the resettlement of offenders to attempt to find out if this helps to prevent the chances of an offender reoffending. The report will focus on the work of Access2Advice and the impact of their debt advice on offenders and whether this helps to improve the quality of life for the offender, as previous research has found this to help prevent reoffending.

## *What is Access2Advice?*

Access2Advice are a not for profit debt advice agency that offers support, advice, advocacy and training that aims to improve the lives of offenders and overall reduce the rate of re-offending. The main focus of the organisation is to give debt and financial advice to offenders in prison, as well as ex-offenders and those serving community sentences. The work of Access2Advice is co-funded by Her Majesty's Prison and Probation Service and the European Community.

## Existing Research

### *Prisoner Debt*

Research conducted by the Prison Reform Trust (2018) found that many people that are released after serving custodial sentences have built up debts whilst in prison. The research found these debts are often an accumulation of outstanding fines, rent or mobile phone contracts. Previous research conducted in 2010 also found that spending time in prison is likely to increase the amount of debt an individual has (Prison Reform Trust, 2010). 64% of prisoners in 2010 felt their debts had worsened during their sentence. It has also been found that 41% of prisoners have a need for financial, benefit or debt advice and 48% of prisoners have a history of poor money management (Impact Pathways, 2018). The Prison Reform Trust (2010) also found that three quarter of former prisoners and those in prison have not been asked about their finances or received any financial advice.

### *Prisoners and Loans*

The Prison Reform Trust (2010) also found that more than half of people in prisons have been rejected for a bank loan. Due to this, at least 8% of offenders have had to borrow money from a loan shark. This created further problems and increases the risk of reoffending, as debts to loan sharks often act as a driver towards further crime, as the individual needs to find the money to pay back the money with significant interest to avoid, which can lead to violent consequences.

### *Financial and Debt Capability of Prisoners*

The Prison Reform Trust (2010) conducted research with 144 people serving prison sentences across the country and found that around one third of these people said they were either unsure or very unsure about managing their money and

finances. The study also found that around two thirds of prisoners struggle to bills or feel they are in real financial trouble. This research also found that, within the sample group, two thirds of prisoners had debts of over £1,000 and one third of prisoners said they had housing related debts. Another study found that as well as many offenders having debt problems, a number of prisoners are also in prison due to the debts that they have.

### *Bank Accounts for Prisoners*

A study conducted in 2008 by the Financial Inclusion Unit at Liverpool John Moore's University researched whether it is necessary for prisoners to have a bank account, as it was previously found that a number of prisoners do not have a bank account and that this has an impact on their ability to gain employment after prison (Impact Pathway, 2018).

Research found that without proof of identity banks would turn prisoners down for an account, subsequently prisoners who managed to secure a job but could not open a bank account had to turn down legitimate employment (Impact Pathway, 2018). They then returned to offending as they felt they had no other choice. A study was conducted at Forest Bank Prison in Manchester and launched a scheme to provide 500 prisoners with bank accounts, using their prison discharge paperwork as a form of ID, in partnership with the Co-Operative Bank (Jones, 2008). 193 of these prisoners were tracked after their release and found that only 37% returned to prison, which is significantly lower than the national reoffending rate of almost 50%. This form of ID has since been used to allow prisoners to access bank accounts whilst still in prison and preparing for their release, in the hopes that they will secure legitimate employment.

## *Debt Advice and Reducing Reoffending*

In terms of reoffending, there is a large amount of research that suggests debt and financial advice is beneficial for those in prison. Research conducted by McNeil and Whyte (2007) focused on finding the main risks of reoffending. Financial insecurity and debt problems were found to be one of the most important risk factors. Sheehan, McIvor and Trotter (2007) also researched risk factors into reoffending and found that finance support and debt support were one of the nine identified factors that influence the likelihood of reoffending. A further study found that prisoners who received debt management help and advice, along with mental health support and employment training, were less likely to reoffend (Sheehan, McIvor and Trotter, 2007). Another study into successful prisoner rehabilitation found that prisoners should have a clear release plan and that prisoners with outstanding consumer or tax debt should receive the appropriate legal advice and counselling to reduce their chances of reoffending (Maruna and Immarigeon, 2004).

## Research on Access2Advice

### *Research Introduction*

As this report has previously mentioned, numerous studies have shown that if an offender has a stable home life and is in managing his or her finances successfully, they are more fulfilled and are not as likely to reoffend (Ward and Gannon, 2006); (McNeil and Whyte, 2007). Therefore, it can be suggested the work of Access2Advice contributes to the prevention of reoffending and improving the lives of reoffenders.

This piece of research focused on assessing the impact of the work completed by Access2Advice on the lives of offenders. The research has identified any successful or unsuccessful aspects of this work and most importantly outlines the differences the work makes to the lives of offenders. To conduct this research, a number of Access2Advice participants were contacted and completed a questionnaire about the help they had received.

## *Sample*

The participants of this research were offenders who had been advised by Access2Advice over the previous 12 months. They were gathered from 3 different geographical regions in England; Yorkshire and Humberside, the North East and the East Midlands. The participants were chosen without prior knowledge of their age, gender or the offence they committed – to ensure that the sample could remain as random and unbiased as possible. All of the participants were fully informed that participation in the study was voluntary and that there will not be any incentives or rewards for their participation.

We implemented an exclusion criteria in order to get a sufficient sample. To get accurate results we had to make sure that the selected participants had enough work completed within their case that they would be able to answer the questions and provide an adequate response. We selected participants who had received at least 2 interventions\* from their case worker. Participants also needed to have had their cases closed. Those whose cases were ‘closed due to no contact’\*\* were removed from the study as their work was not completed so they would not be able to fully review the support they received. We also made sure that participants had their own phone number, as a number of the initially selected participants did not and subsequently were removed from the study as it was to be conducted over the phone with Access2Advice participants. Finally, we also removed any participants still in prison as they would be unable to answer the phone and complete the questionnaire.

\*Interventions are used as the way to monitor the work that is being completed by the case worker. 2 interventions would indicate that a substantial amount of work has been completed on behalf of the participants.

\*\*Closed due to no contact means that no contact has been made from the client for 3 months.

### *Inclusion Criteria*

The inclusion criteria for participants was as follows;

- A participant of Access2Advice between December 2017 and December 2018.
- Their case must be closed.
- They must have received at least two interventions from their case worker.

### *Exclusion Criteria*

The exclusion criteria for participants was as follows;

- Participants that had cases closed due to no contact.
- Participants that were still in prison.
- Participants that did not have a phone number.

## *Methods*

The research was undertaken using a questionnaire that was conducted over the phone with the participants.

The questionnaire was composed of 5 questions that were all answered in a ‘yes’, ‘no’ or ‘don’t know’ format (See Appendix I for the questionnaire). This design was chosen to allow for the data to be easily analysed and so that the participants would be able to understand the question. This design is also more convenient for both the researcher and the participant, the questionnaire format could be completed in a shorter amount of time compared with open ended or scale based questions.

We attempted to contact each participant using the mobile phone numbers taken from their Access2Advice case file. Those who failed to answer the phone on the first attempt were contacted a further two times, if there was still no answer the participant was regarded as a ‘non-response’.

This method was chosen after careful consideration of the most effective ways to measure the quality and impact of the work provided by Access2Advice. The questions covered; how helpful Access2Advice were, if the service improves quality of life, stability and stress as well as if the offender has a better understanding of money and finances.

## *Response Rate*

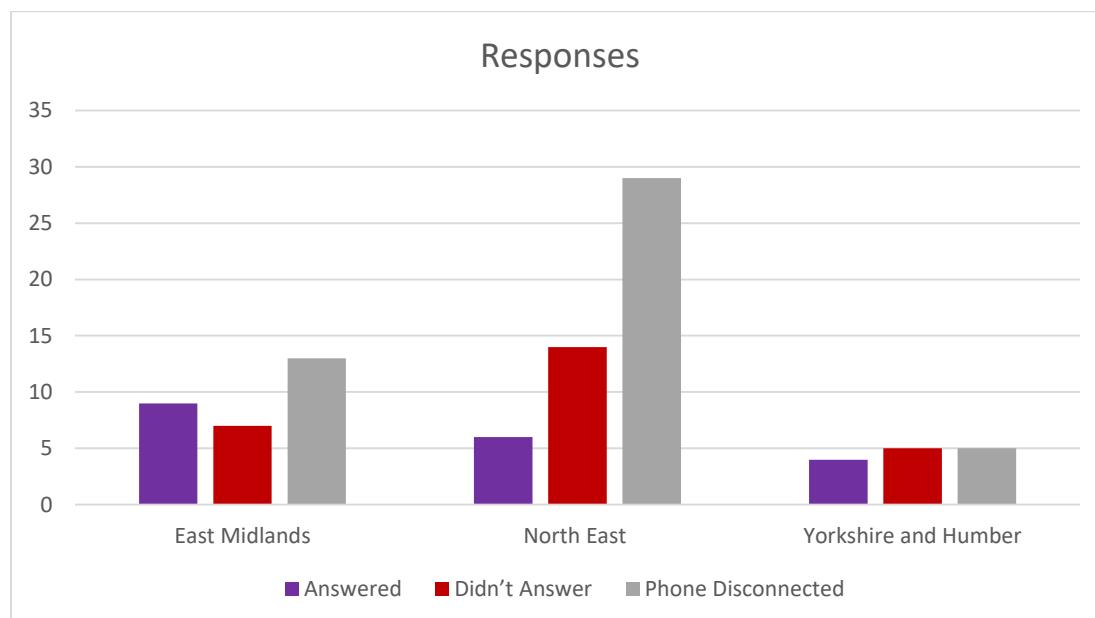
After using the exclusion criteria against the sample of participants, we had collated total of 93 possible participants.

- 29 possible participants were from the East Midlands.
  - 50 possible participants were from the North East.
  - 14 possible participants were from Yorkshire and Humber.
- 
- 19 participants answered the phone and completed the questionnaire.
  - 25 participants did not answer the phone.
  - 49 participant's phones were disconnected.

Of these participants;

- 9 participants were from the East Midlands.
- 6 participants were from the North East.
- 4 participants were from Yorkshire and Humber.

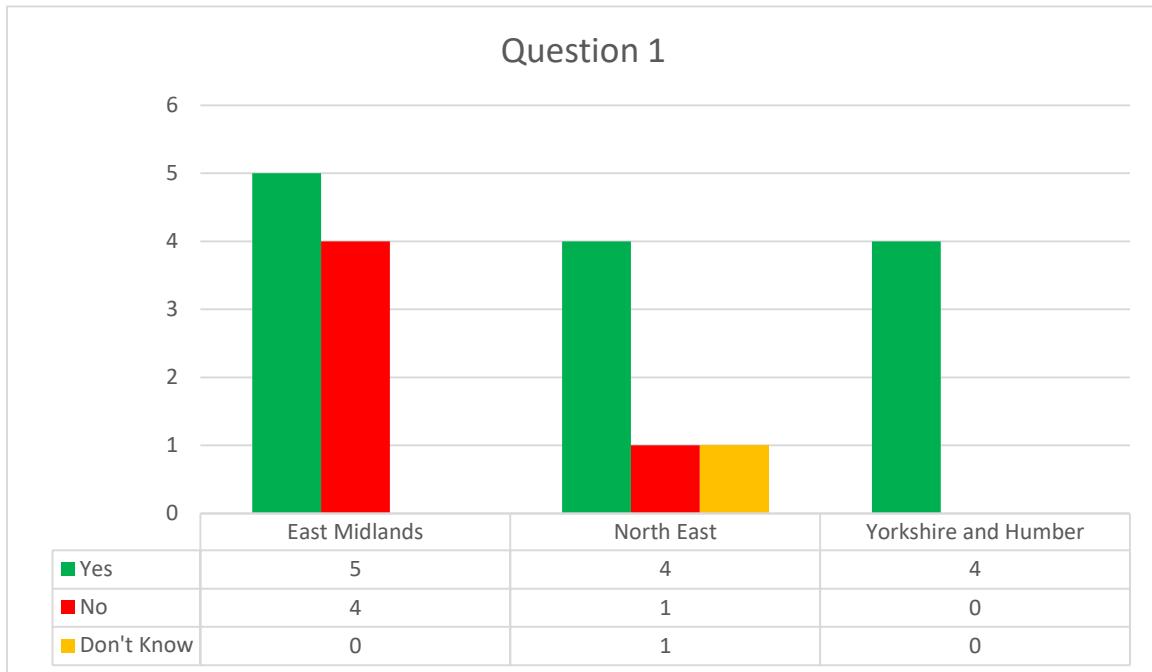
We are delighted to report that the response rate for this survey was 20%, which is very high for the area of research covered by this report.



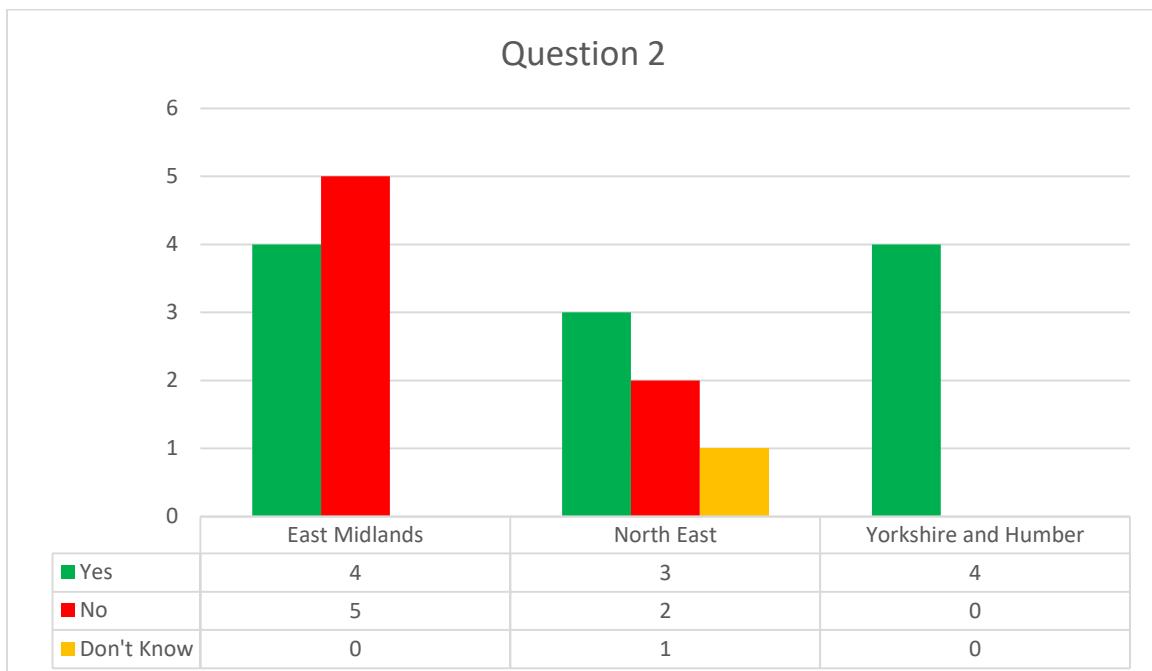
# Results

## Findings by Question

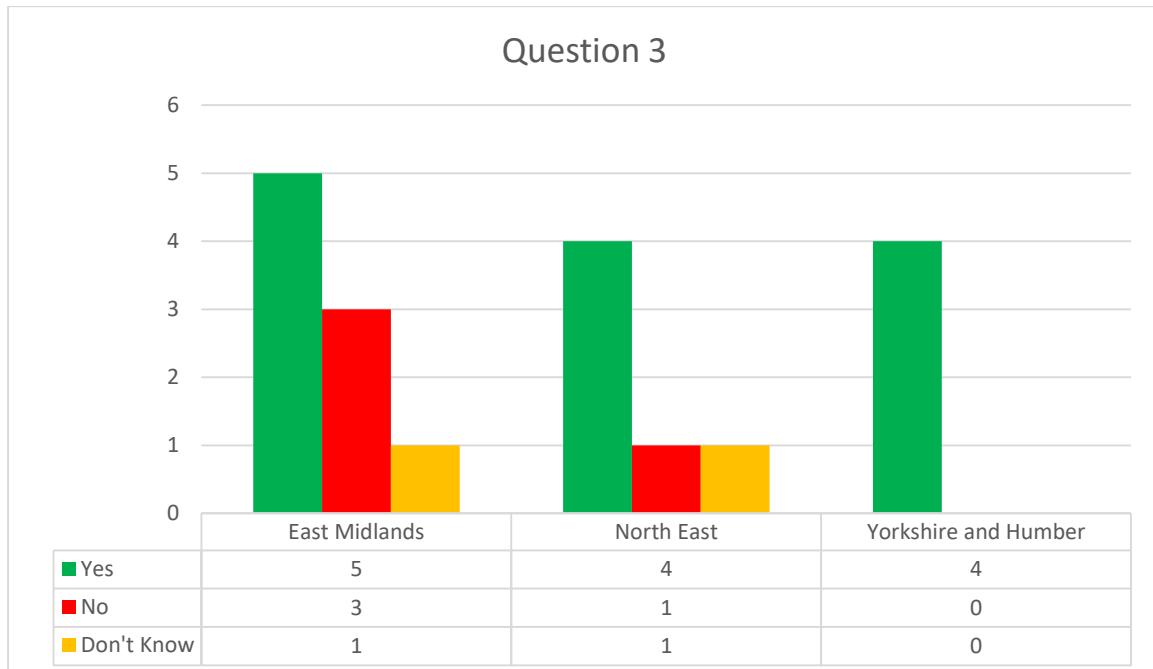
### **Question 1 – Did Access2Advice help organise your money and finances?**



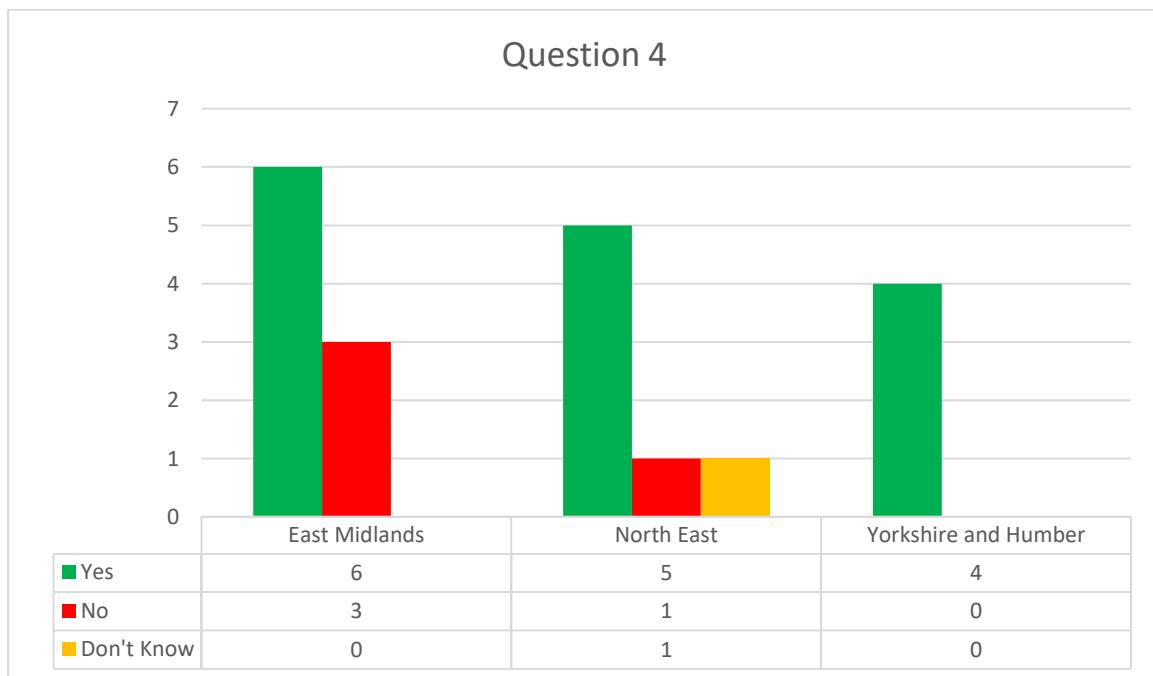
### **Question 2 – Do you feel more stable and secure personally after receiving help?**



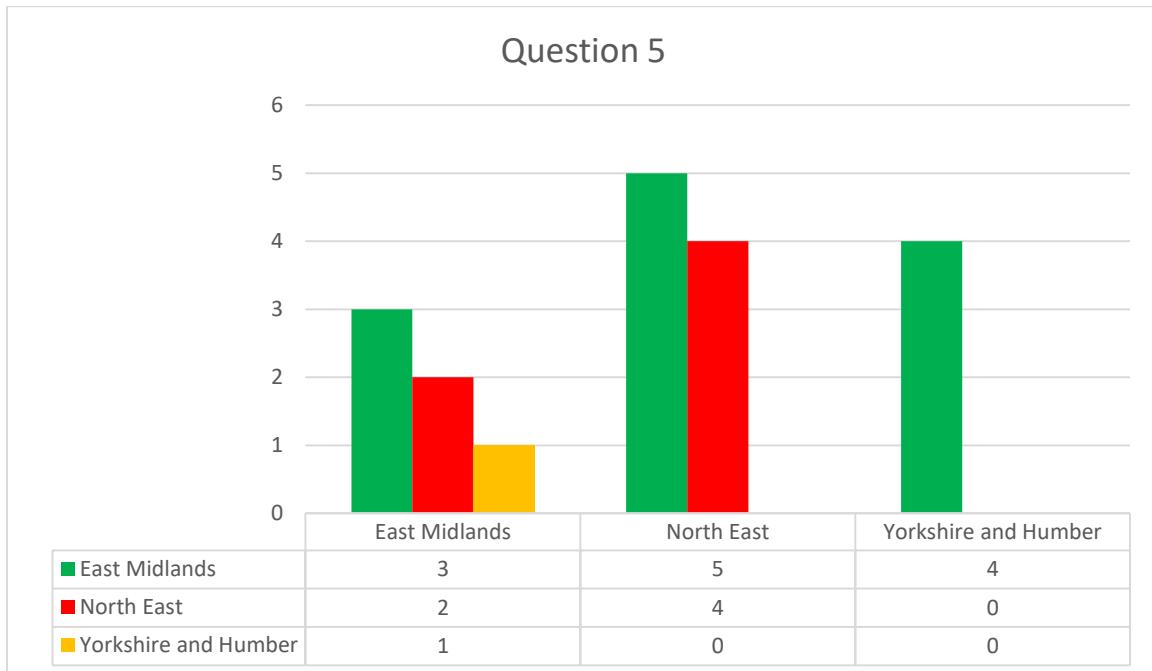
**Question 3 – Are you less stressed about money now?**



**Question 4 – Do you have a better understanding of money and finance now?**



### **Question 5 – Has Access2Advice improved your life?**



### *Results Shown as Statistics*

- 68% felt that Access2Advice helped organise their money and finances.
- 57% felt more stable and secure personally after receiving help.
- 68% felt less stressed about money.
- 79% felt that they understood money better after receiving help.
- 63% felt that their overall life had improved after receiving help.

## *Discussion*

The final response rate for the questionnaire was 20%. When compared to phone questionnaires in this area of research, the response rate is incredibly high. Every participant that fit within the inclusion criteria were contacted using the mobile phone numbers taken from the Access2Advice case files. As 1 in 5 of the possible participants completed the questionnaire, we received a substantial amount of data to analyse.

Question 1 (did Access2Advice help organise your money and finances?) found that 68% of participants felt their money and finances had been organised with the help of Access2Advice. This shows the support and guidance from Access2Advice has been successful.

The results of question 2 (do you feel more stable and secure personally now?) had the least amount of positive responses from participants. However, there are other factors that may influence this answer. A number of participants who answered 'no' to this question explained on the phone that this was due to other circumstances in their lives, i.e. the death of a loved one.

Question 3 (are you less stressed about money now?) found that 68% of people were less stressed about money once they had received help from Access2Advice. This shows that the work that Access2Advice do positively impacts the quality of life for their participants.

The results of question 4 (do you have a better understanding of money and finance after receiving help?) were particularly interesting, with almost 80% answering yes. For this question, a number of participants who answered negatively

to the other questions still stated that with the support from Access2Advice, they had developed a better understanding about money and finance. This shows that even if they feel that their financial problems are still 'bad', the participants are developing a better understanding of managing their money with the help of Access2Advice.

Finally, the results of question 5 (has Access2Advice improved your life?) show the clear impact Access2Advice have on changing the lives of offenders, as over two thirds of participants stating their lives had significantly improved after receiving help.

It is important to note that for Yorkshire and Humber there were 4 responses. This is due to phone numbers being disconnected, or failure to answer each phone call attempt made. The 4 participants that completed the questionnaire all gave very positive responses about the help they received from Access2Advice, meaning that the answers for all 5 questions were 100% yes.

## *Summary*

- 68% felt that Access2Advice helped organise their money and finances.
- 57% felt more stable and secure personally after receiving help.
- 68% felt less stressed about money.
- 79% felt that they understood money better after receiving help.
- 63% felt that their overall life had improved after receiving help.

These statistics show that the work of Access2Advice is helping to improve the lives of offenders and subsequently help towards preventing reoffending (Maruna and Immarigeon, 2004). In the sample of this study, over 60% felt their overall life had improved after receiving help from Access2Advice, which shows over two thirds of those who are helped are benefiting from the work that is done for them. Almost 70% felt Access2Advice have helped them to organise their money and finances which lead to almost 70% of the participants now feeling less stressed about money. This should significantly help prevent reoffending as research has established that lower stress is an important factor in reducing reoffending (Sheehan, McIvor and Trotter, 2007). Nearly 60% of participants felt more stable and secure personally after receiving help, which should also help towards the prevention of reoffending (McNeil and White, 2007). Importantly, almost 80% of the sample felt they had a better understanding of money and finance now they had received help, which would hopefully prevent them from getting into further debt and financial problems which is a key factor in avoiding reoffending (Maruna and Immarigeon, 2004).

## Recommendations

### *Previous Recommendations from the Prison Reform Trust*

In 2010, the Prison Reform Trust reported a number of recommendations for financial advice to help reduce reoffending rates. The first recommendation was that a secure process should be developed to allow prisoners to have a secure way to view their bank account and finances during their prison sentence and all prisoners should have access to the Consumer Financial Education Body money guidance service throughout their sentence. It is also recommended that people in prison should have the opportunity to earn a real wage, in order to prepare and save money for their release and that prisoners should have access to a form of financial capability training to meet their needs, covering modern financial products and services, budgeting and basic numeracy. The report recommended that all prisoners should have access to the National Debt line telephone number during normal working hours and all people in prison should have access to independent quality assured debt advice to support advocate and negotiate with creditors and representatives. Finally, it is recommended that the credit industry should have protocols in place for those going to prison.

### *Access2Advice Recommendations*

From this current report, the following recommendations can be made.

Access2Advice need to maintain their ability to continue the high level of success that is reflected in this report and therefore the appropriate resources are required for this to continue.

## Appendix I - Questionnaire

### *Discussion*

Hello....

I'm from Access2Advice and I'm doing a follow up on the help you've received from them recently.

Would you be able to answer some questions about Access2Advice and the work they have done with you?

There are five questions where you will just answer yes, no or unsure.

1. Did Access2Advice help you organise your money and finances?

yes  no  unsure

2. In your personal life, do you feel more stable and secure personally after receiving help from Access2Advice?

yes  no  unsure

3. Are you less stressed about money now that you have had help from Access2Advice?

yes  no  unsure

4. Do you have a better understanding of money and finance after receiving help from Access2Advice?

yes  no  unsure

5. Has Access2Advice improved your life?

yes  no  unsure

### *Debrief*

If you have any further problems or questions please contact your CFO3 caseworker, who can direct you back to us if needed.

If you have no longer have a caseworker and have further problems, please contact Citizens Advice.

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