

MoneySavingExpert.com

GUIDE TO
Mental Health & Debt



***Help, info, guidance and support for
individuals and carers***

By Martin Lewis, Jenny Keefe & Marianne Curphey

The guide can be downloaded for free at www.moneysavingexpert.com/mentalhealth

The MoneySavingExpert.com Guide to Mental Health & Debt

Help, info, guidance and support for individuals and carers

By Martin Lewis, Jenny Keefe & Marianne Curphey
Designed by Mark Shannon

This MoneySavingExpert.com guide has been written with the kind help and guidance of the following organisations:



We would also like to thank Dr Rob Waller, consultant psychiatrist and Eilidh Brown, medical student at the University of Dundee.

Throughout this guide, we have included comments, stories and suggestions from members of the MoneySavingExpert.com forums. All the quotes are from real people who wanted to share their concerns, successes and suggestions with others, but we have used their forum names to protect their anonymity.

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Editorial Disclaimer: Mind, the leading mental health charity across England and Wales, has been delighted to consult with MoneySavingExpert.com on some of the issues surrounding mental health and debt that are contained within this publication. The contents of this publication have been produced independently by MoneySavingExpert.com and do not necessarily reflect the beliefs, values or official policies of Mind.

Mind is an independent charity supported by voluntary donations. We have been speaking out for better mental health for over 60 years and work with 170 local Mind associations to provide direct support for people with experience of mental distress. We are the first source of unbiased, independent mental health information. www.mind.org.uk

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THE BIG MESSAGE



“No debt problems are unsolvable

Before you even begin reading, it's important to know one thing. For as long as I've been the Money Saving Expert, I have never once seen a case of debt that can't be solved. No matter how bad it seems, while it may not always be easy or quick, there is light at the end of the tunnel.

Of course, when mental health is involved, sometimes just having the energy to deal with it is tough. And that's what this guide is about: recognising that mental health and debts are a marriage made in hell, so we've easy practical steps you can take to get back on track.

If nothing else, the fact there's so much demand for this info that we created this booklet should tell you you're not alone.

So if you're in debt crisis, don't panic. The best thing to do is book a one-on-one session with a non-profit debt counsellor. Don't worry, they're there to help, not judge (see Chapter 2). If that's too much for you right now, and you have a trusted friend, at least talk through this guide with them.

Dealing with your debts may sound like a nightmare, but once you start it's much easier and less stressful than leaving them to fester.”



Why we've written this guide

Be under no illusions: mental health problems can cause severe debt, and severe debt can cause mental health problems.

Debt isn't just a financial problem, it causes relationships to break up, people to lose their homes and families to break down. No matter who you are, it can be hell.

For many living with mental health issues, debt is a common problem. My usual line is we should focus on being responsible borrowers, as you can't expect lenders to be responsible – their job is flogging debt.

Yet a few years ago, I had my eyes opened. A man came up to thank me for the MoneySavingExpert.com website. I asked him if he'd saved much money, and his answer surprised me:

"I don't use it for myself. I'm a mental health case worker, and almost every one of my clients has debt issues. It's tough for them to control many areas of their life. I use your site to help them sort through their problems."

This is the crux: how do we help those who are unable to be responsible for themselves? It is not always easy to be responsible for yourself – and the easy credit years created a potential disaster scenario. Since then I've heard that story echoed time and time again, and, as we headed into recession, the reverberations increased. While the noise grew, the coverage didn't. I pitched to TV outlets several times, only to be told it doesn't resonate with enough people.

That's wrong. Many people have either had issues or have a family member who has. One in four British adults experience at least one mental health problem in any one year, according to the ONS Psychiatric Morbidity report 2001. This is an issue we have to tackle.

Yet it's not right to simply stop anyone with mental health issues getting credit. Often issues are temporary, and, even if not, debt isn't bad, bad debt is bad. A rational decision to borrow cheaply is fine. Mortgages, student loans and more are an integral part of the modern financial world.

While describing the problem is easy, the solutions aren't. I wish I could promise this guide will solve them, but it won't, though it should help make things easier to understand and deal with.

Martin Lewis
Money Saving Expert
February 2011

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Introduction: The cycle of debt

How debt causes mental health problems & how mental health problems cause debt

Debt and mental health problems, be they caused by redundancy, bereavement, relationship breakdown, abuse or just naturally occurring, are rarely talked about but very common. What's also rarely discussed is the link between mental health issues and debt. When debt mounts up, so does stress and anxiety.

Nearly half (44%) of people who have or have had mental health problems have severe or crisis debts, according to a 2011 MoneySavingExpert.com survey. Just one out of ten people who have never had mental health problems have severe or crisis debts.

A 2010 survey by debt counsellors Christians Against Poverty found that 44% of those seeking debt help had been prescribed medication by their GP to help them cope, 77% of those in a couple said debt affected their relationship and 38% had considered or attempted suicide.

Having a mental health problem can also make it difficult to deal with money day to day. It can affect your motivation, judgement and income. If you are signed off sick or unable to work long-term, you may find you struggle to make ends meet.

Fortunately, there is hope and there's a way out for anyone with a debt problem. It's important to recognise that you are not struggling alone. The key is to start by taking one or two simple steps and to tackle debt as soon as it starts to mount up.

A Green Box Story - To Inspire

Sophie's story:

"When I started on the trail to clearing my debts, I did a lot of 'big stuff' that made quite a difference to my situation, including cutting up the credit cards and cancelling Sky and the gym.

"But once I had done the bigger stuff, I felt I was not making the same amount of progress, when in fact the small steps were helping me form good financial habits and helping me get closer everyday to staying in control and becoming debt free.

"Examples could be charging your phone up at work instead of at home (with permission) to save your electricity, hanging washing out instead of using the tumble dryer or leaving your purse/wallet at home to avoid the risk of spending.

"So be proud of those small steps; they really are important!"

How this guide works

This guide is not only aimed at people experiencing mental health problems, but friends, family and carers who want to help them tackle their finances.

Throughout the guide, there are tips to start taking small steps to cut your debt. We have used real-life case studies from members of the online forum at MoneySavingExpert.com. We've included them to illustrate that you are not alone; hopefully their experiences of escaping from debt may give you hope that you can do the same.

We've colour coded them: the sadder stories are highlighted in red, and the success stories in green. If you are feeling low and not in the mood to read about someone else's problems, you can simply skip the red ones.

A Green Box Story - To Inspire

Green box title

A green box story will look like this.

A Red Box Story - To Show You're Not Alone

Red box title

A red box story will look like this.

What are mental health problems?

This guide uses the term 'mental health problems' to encompass conditions ranging from anxiety and depression to schizophrenia. This is used because the term 'mental health problems' is commonly understood to include all forms of mental distress. We understand that some people would prefer another term, but this is the most inclusive we found.

It is important to differentiate between mental health and mental capacity issues, which we only touch on briefly in this guide. Mental capacity is being unable to make and communicate decisions. Someone without sufficient mental capacity may be unable to understand the concept of debt rather than be unable to deal with it (at the time they were suffering).



The stages of depression

By Dr Rob Waller, consultant psychiatrist and director of www.mindandsoul.info

People do not become depressed overnight. It takes time, usually weeks or months. If you can spot them, the stages below are the time when you can act to avoid full depression.

Even when people plunge rapidly into debt, depression usually takes time to bite. There may be initial shock and numbness, but entrenched depression still takes time to arrive.

When the demands people face are bigger than the resources they have, there are problems – this is true of our brains just as much as our wallets. Over time, we use up resources such as favours, days off at work, physical fitness or self-esteem. Once they are used up, we get more and more stressed. When they are gone, we get depressed.

Stage one: Warning Signs Work out what your warning signs are, eg, tension headaches, arguments at work, back pain or bad skin.	Actions: Now is the time to take steps to keep on top of debts. You should also talk to a friend.
Stage two: Burnout You start to struggle and make mistakes. Time is short and your brain is inefficient. You may be snappy, off sex and generally down.	Actions: Talk to your boss. Reduce demands, even if only for a while to give you space. Spend time with your partner.
Stage three: Depression You are unable to enjoy things you used to and a low mood lasts more than two weeks. You lose more than one stone of weight, can't sleep or concentrate.	Actions: See your GP. You need talking treatments like cognitive behavioural therapy and possibly medication. See a debt counsellor.

Spotting depression in a friend or relative

Look for changes in how they normally are. Explain to them you are concerned. Be gentle, as they may be embarrassed. Offer to go to the GP with them. Don't tell them to "snap out of it" – they can't. Offer gentle encouragement, practical support (like shopping for them) and don't talk too much.

Chapter 1: Getting started — analyse the problem

If you don't feel up to tackling your debt right now

If you are feeling very low or suicidal because of debt, talk to someone in confidence now. It could be your GP, case worker, consultant, psychiatrist, friend or family member. Alternatively, call the Samaritans on 08457 90 90 90, NHS Direct on 0845 4647 or, in Scotland, NHS 24 on 08454 242424.

It can take time before you feel strong enough to tackle debt problems and put things right, but there is always a path through. If you do find that you are in financial difficulty as a result of your mental health, don't despair – there are lots of little positive steps you can take to sort it out.

However, if you don't feel you're in a place to tackle your finances today, go to Chapter 5. If you are very unwell or in a crisis, delay important financial decisions until you feel more able.

Are you in debt crisis?

Debt isn't bad; bad debt is bad. The days of 'neither a borrower nor a lender be' are long gone. These days we are forced to borrow to get a higher education or buy a house. Debt in itself isn't wrong, provided it's understood, planned for, affordable and as cheap as can be.

There are two ways to deal with problem debt, and which is right for you depends on whether you're in what we call debt crisis or just have worrying or large debts.

What counts as debt crisis depends on who you ask, but our definition is when you can't afford to make even the minimum repayments on all debts or meet all necessary outgoings.

Therefore even if your debts are big, if you can service them — even at the minimum level — you're not in debt crisis and different solutions are available.

If you're in debt crisis ...

First of all, don't panic at the name. We have never heard of someone with debts so bad that there wasn't a path through them. Starting to deal with them will make you feel better and speed up the process.

While The MoneySaving Checklist in Appendix 1 is designed primarily to prevent people from getting into debt crisis, rather than help those already there, it is worth scanning through for five minutes to see if any of the options apply. It may allow you to meet minimum outgoings and avoid a crisis snowballing out of control.

For more info and how to get free debt crisis help, turn to Chapter 2.

Martin's Money Moment

Help and support from those in the same boat:

Talking about mental health issues and money problems is often a challenge. You may have kept your difficulties secret because you didn't want to worry your family, be judged by others or disadvantage yourself at work.

Yet talking about the problem is also a very positive and brave first step. If you're too worried to do it, one option is to go and see a debt counsellor alone (see Chapter 2), then tell your partner or friends afterwards – as you will bring them solutions as well as a problem.

Debt-Free Wannabe board

If you want help or want to talk about it, there are many people in the Debt-Free Wannabe forum (at www.moneysavingexpert.com/dfw) in a similar boat, all supporting and helping each other reach what they call their "debt-free day". After going through the checklist in Appendix 1, this is an amazing resource.

A Green Box Story - To inspire

Suzie's story: "You're braver than you believe"

"A way out? Where, oh where do I start?! Joining the Debt-Free Wannabe forum's been such a revelation to me. So many things ring true and, to be frank, have brought tears of relief.

"I thought that it was just me. All my fault that I spent money to try to make me feel better and to give to myself the things that I didn't have as a child. I wanted the love and affection of my parents being around, as well as the material things that I perceived my friends to have.

"I have suffered with depression for many, many years and have had some bad episodes, particularly after the birth of both my children. I really do wish that I had heard about the link between spending and depression years ago.

"What I would say to others is that there is light at the end of the tunnel. To quote Christopher Robin: 'You are braver than you believe, stronger than you seem, and smarter than you think.' Isn't that just true of anyone with low self esteem and depression?"

If you're not in debt crisis ...

In this case, you don't automatically need debt counselling. That involves negotiating with creditors and even IVA or bankruptcy. These are serious measures, designed for those with limited alternatives. They draw a line and say "this person is no longer within the system". You have other options.

Yet if you are feeling very stressed and can't cope, ignore the above and contact the free debt crisis contacts in Chapter 2, as they will be able to help and direct you to the right place.

A Red Box Story - To Show You're Not Alone**Colin's story: "Debt has taken over my life and I'm struggling to cope"**

"A few years ago I had a bad panic attack, which led to depression and completely changed my life. I stayed in for over a year and didn't socialise. When I felt more normal I applied for a credit card. I wasn't working many hours due to being at college and I was using the credit card to try and give me my old life back. That card debt has been close to £2,000 for years, as the interest means I'm unable to make much impact on it.

"I took out another credit card with every intention of transferring the original balance over and closing the account. I had problems trying to transfer to the new card, and bit by bit I started using the card as a way of making life seem more bearable. This card is pretty close to the £3,000 credit limit now.

"My life feels pointless as I have no career and can't go to university with all this debt hanging over me. I have a low paid and mundane job which isn't even full-time as my mental health makes going to work and being positive very difficult for me.

"I don't know how I am ever going to make anything of my life when I have this never-ending debt which I can't make an impact on. I've tried applying for new credit cards to transfer the balance to save me some interest but I'm always refused credit.

"What an earth can I do? I can't go on like this anymore."

Yet no matter how bad it seems, there is no such thing as an unsolvable debt problem.

A Green Box Story - To Inspire**Response to Colin from Stephen, another MoneySaver:**

"First things first, well done for confronting your debt. This is commonly known as your 'light-bulb moment'. This is the biggest and hardest step you will take, so if you can do this, you CAN become debt free.

"When I first posted I felt ashamed, guilty, sick, embarrassed, angry! Don't beat yourself up. There are thousands who have made the same mistakes as you and me. I promise that within hours of posting you will feel more positive and willing to tackle your debts head on!"

The three things you need to know about debt

The best way to combat debt is to follow these three simple rules:

1

Stop Borrowing

It sounds obvious, but there's no point in trying to sort out your existing debts if you're going to keep adding to them. The most important thing to do is to ensure you're not borrowing any more.

The way to start doing this is by doing a budget (free tool to help at www.moneysavingexpert.com/budget), which adds up whether you spend more than you earn, so you can see where the cash is going. After that, give yourself a money makeover to see where you can cut the bills and then, if needed, you can cut back.

2

Cut interest rates

The less interest you pay, the more your repayments go towards clearing the actual debt, not just servicing the interest. With credit cards, there are two main routes to cutting costs. The first is a balance transfer where you get a new card that pays off the debts on old cards for you, so you owe the new card the money at a cheaper interest rate. Alternatively, there are 0% deals, where the deal is interest free for a set period (though you pay a fee to do it), but after that the rate shoots up.

3

Pay off the highest debt rates first

Far too many people simply split the amount they're repaying on various debts – this is a bad tactic.

List all your debts in order of interest, then focus all your spare cash at clearing the debt with the highest interest rate first, for the simple reason that it is costing you the most. That means you should pay just the minimum repayments on all other lower interest rate debts. Once the most expensive is repaid, shift focus to the next highest rate card and continue this until you're debt free.

Turn to the full MoneySaving Checklist in Appendix 1, which takes you through a full list of simple but effective steps to help you start.

Mental health issues can qualify you for disability living allowance

One of the first steps to getting your finances back on track is to make sure you get the money you are entitled to. Anyone with a disability, which can include mental health problems, or a family with income under around £40,000 may be entitled to some form of state payment. Do a quick, free check in just five minutes online at www.moneysavingexpert.com/benefits

In particular, children and adults who have a diagnosed mental health problem may be entitled to disability living allowance (DLA). It's non-means tested; you can get it whether you work or not; and it is usually unaffected by savings or income.

We've lost count of the number of people who have said they went without DLA for several years even though they were entitled, so it really is worth checking. (Though please note DLA is under government review, so rules and payments could change.)

How much DLA could you get?

The payment is between £18.95 and £121.25 per week, depending on personal circumstances, and goes straight into your bank account. The benefit is made up of two components: a care component, for people who need care and support; and a mobility component, for those who have trouble getting around.

Both elements are paid at different rates, depending on your situation, and you may be entitled to one or both. For example, if you qualify for a middle level care payment (£47.80) and the lower level mobility payment (£18.95), you'll get £66.75/week.

Help claiming DLA:

To claim, call 0800 882200, or do it online at dwp.gov.uk/eservice. It can be a lengthy process. If filling the forms feels overwhelming, call your local council and ask if it has a 'welfare rights service', which gives benefits advice and help with paperwork. The Citizens Advice Bureau also provides one-to-one help.

Many local Mind associations offer a similar service. Go to www.mind.org.uk/help to find your local Mind and whether they can help. Also see Mind's Managing on Benefits Booklet at <http://tinyurl.com/2uc55ye> and benefitsandwork.co.uk's free two-minute DLA test.

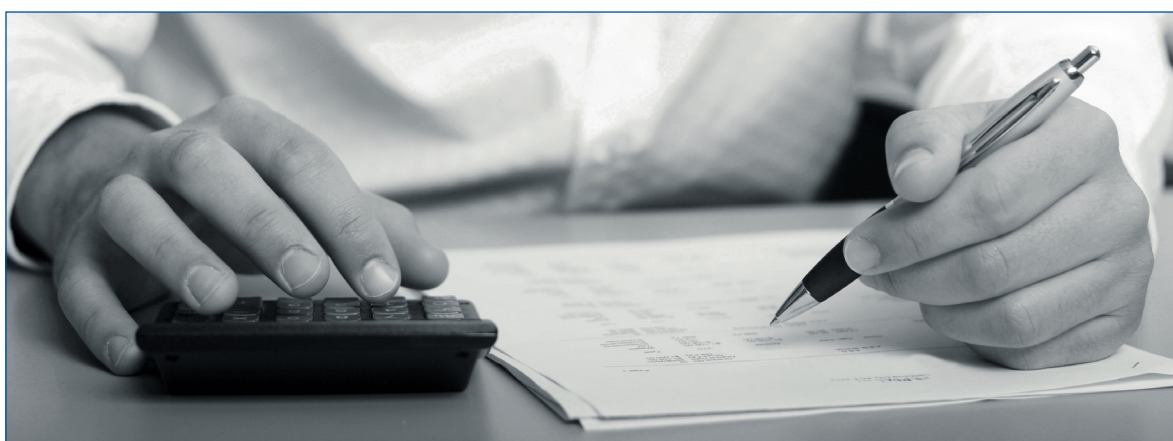
A further huge info resource is the benefits and tax credits forum board at <http://www.moneysavingexpert.com/benefitsboard>. A number of Citizens Advice staff and others help to answer people's questions and it's a great database of answers on all things benefits related.

Tips to manage debt when you have bipolar disorder:

Debt and bipolar disorder (periods of depression interspersed with mania) can go hand-in-hand. This is because people who experience mania can become impulsive and overspend when they are high.

The following tips are particularly relevant to bipolar sufferers:

- Keep a close eye on bank balances to avoid overdraft charges.
- Stick to one or two debit and credit cards at a time.
- Consider a basic bank account (more on page 34).
- Hand over cards to a trusted friend or family member, especially cards with the highest credit limit.
- Put as many concrete blocks between you and spending as possible, eg, use parental controls to make internet shopping harder.
- Consider calling credit card providers to ask them to lower your limits.
- Consider adding a 'notice of correction' to credit files (see page 22).
- The Bipolar Organisation comes highly recommended by our forum users. Membership costs £20 a year (£10 unwaged) and includes discounted travel insurance, a free legal advice line and self help groups. Go to www.mdf.org.uk.
- Alternatively, check out www.bipolarscotland.org.uk, which offers a similar service (tel. 0141 560 2050).



Chapter 2: Get free debt help

If you are in debt crisis: Get free one-on-one help

For those in debt crisis who are consistently struggling with debts and unable to meet repayments, free personal help is invaluable. The aim is to find non-profit debt counselling, in other words, a one-on-one session with someone paid to help you, not to make money out of you.

A Red Box Story - To Show You're Not Alone

Mike's story: "I feel like giving up"

"After years of struggling and then splitting up with my wife I have been trying for two years now to clear my debt and have managed to clear some, but it always seems there is something dragging me down.

"I am self-employed and this month has been tax, car tax and new tyres! In a single month I see less and less work and the bills keep coming in.

"I have most of my debts on low interest for the life of the balance apart from £3,500 on MBNA about to go from 0% to high interest at the end of the month. But I am paying out £500 a month on minimum payments and just see my income steadily dropping.

"I have not missed any payments for a long time but am worried that it will all go pear shaped soon and then I don't see a way back once it all goes to high interest rates. I feel like I am trying my best but everything seems to be against me. I just feel like giving up and letting my finances go down the pan, I have been trying so hard but there seems no end!"

Trying to clear debts on your own can sometimes feel like an impossible task. Though it mightn't be easy, there is always a route. Go to a debt counselling service like Christians Against Poverty, the Citizens Advice Bureau or Consumer Credit Counselling Service.

These organisations have skilled advisers who can help you to sort out your money, draw up a budget and prioritise your debts. They will encourage you to prioritise your debts to protect against court action or eviction, ensuring that you pay secured debt first or utility arrears so you do not get cut off.

Be careful not to confuse this with 'free help'; many commercial companies say they're free as you're not charged directly, but you'll still pay somehow.

Martin's Money Moment**I'm a big fan of debt counselling:**

I know many people are nervous about going to a debt counsellor and imagine it'll be like being in the headteacher's office at school. But they're not judgmental — they're not there to tell you off, just to help you sort the problem. Many people say after help, "I finally got a decent night's sleep."

Free debt counselling agency contacts

Christians Against Poverty: Debt counselling agency that specialises in helping those who are emotionally struggling too. The religious focus is why they do it, not how they do it. Unlike the other debt counselling agencies, they can come and visit you in your home and have a befriending service to help with feelings of isolation, so it is a good option for those feeling ill or fearful. It has specialist debt counsellors trained to help people with mental health problems.

Link: www.capuk.org Tel: 0800 328 0006

Consumer Credit Counselling Service (CCCS): As well as a full debt help service, CCCS provides extra support to vulnerable people (including those with mental health issues), eg, help completing forms or with benefits checks. CCCS says it's important to let its counsellors know about your condition so you can get additional support.

Link: www.cccs.co.uk Tel: 0800 138 1111

Citizens Advice Bureau: Free, confidential and impartial debt advice service. Citizens Advice staff get specialist training on how to deal with clients with mental health problems. If you disclose mental health problems early, it will help advisors to help you.

Link: www.adviceguide.org.uk or visit your local CAB centre (check centres in the Yellow Pages).

Free online debt help tools

Debt counsellors don't have special powers, though they are taken a lot more seriously by creditors than individuals acting alone. Speaking to a debt counsellor is usually the best idea. But if your condition means talking to someone may be very stressful, free online tools can you help you do it yourself.

The Consumer Credit Counselling Service's Debt Remedy tool suggests what action to take, based on your circumstances. It takes about 20 minutes to complete and is completely free and anonymous. Go to <https://debtremedy.cccs.co.uk>

Depending on your answers, it may also give the option to use e-couch, its interactive cognitive behavioural therapy (CBT) tool for those with mental health problems.

See www.moneysavingexpert.com/debtproblems for more online tools.

Stop debt collectors harassing you

These non-profit agencies are also the ideal people to go to if you're being harassed and bullied for payments by debt collection agencies.

An agreement between the Government and Credit Services Association, the body that represents debt collecting agents, gives new powers that guarantee debt collectors won't contact you for at least 30 days, provided you've sought debt help.

The debt counselling service will inform collectors, who'll then give you a month's breathing space to get yourself on better footing.

The Lending Code states that, if a customer has mental health problems, lenders should consider keeping a debt in-house rather than passing it to debt collectors. They should also make court action the last resort, putting debt advisers in a stronger position when negotiating with a lender.

A Red Box Story - To Show You're Not Alone

Paul's story: "Debt and depression go hand in hand"

"I have been in and out of debt for 17 years. I have also been in and out of deep dark depression for 17 years. When everything is ok financially I can cope with everything else, sometimes better than others. But as soon as I have a financial problem I hide away from it, as it scares me more than anything.

"When I get bills I can't pay I hide them. I know I do it but I promise myself I will deal with it tomorrow, but then another one comes and another. Till there is a to-do pile so high on the coffee table that I can hardly see the TV.

"When I feel stronger I don't seem to get into debt because I work more and I do overtime etc and I manage to pay bills on time, but when I'm feeling bad I don't function at all.

If you are experiencing mental distress right now, some of the suggestions in Chapter 5 may help you begin your recovery.

A Green Box Story - To Inspire

Rachael's story:

"I struggled with debt for a couple of years and having mental health problems such as depression and psychosis as well did not exactly help, to say the least. For the past year I have been working towards becoming debt free with the charity Christians Against Poverty and things are looking up!"

Dealing with emergency issues

If the worst happens, you need to take the following steps or ask someone you trust to help:

- **Impending court case**

Don't be tempted to consolidate all debts into one monthly payment using one of the debt companies that advertise on TV – you will pay more in the long run. A debt counsellor will help you deal with the court paperwork and perhaps even get the hearing delayed.

- **Bailiffs**

If a company is threatening to send bailiffs to your house, the first step is to try to negotiate with the company and agree to repay a set amount each week/month. A debt counsellor can help you apply to the court or contact the local council to stop the action.

It can be frightening to think that a bailiff may come to your house, but you do not have to let them in unless it's for a criminal court fine. Don't leave doors or windows open if you are expecting them to call. Refuse entry and call the lender or creditor to try to negotiate payment. Ask a friend to be there to act as a witness.

See National Debtline's factsheet on bailiffs at <http://tinyurl.com/ycyzwuj>

- **House repossession**

If you're at risk of repossession, ask a debt counsellor to help you organise a payment plan. Contact Community Legal Advice which is a free and confidential service paid for by legal aid (0845 345 4345). When your lender begins repossession proceedings you may still have time before it enforces the order. But you do need to take action quickly to ask a court to delay.

- **Bankruptcy**

Only consider bankruptcy after a consultation with a free debt counsellor. It may be a better option for people without assets or property. You will be discharged as bankrupt after one year, although you may find it difficult to get products such as mortgages or loans in the future.

You won't have control over your assets and you may lose your home, so it is still a serious step. You do not need to go bankrupt just because you are in debt.

Alternatives include an individual voluntary arrangement (IVA), a formal contract between you and your creditors drawn up by an insolvency practitioner. It sets out how much you will repay, usually over five years, until your debt is classed as settled. Or there's a debt relief order for those with debts less than £15,000 who do not own a house (or have any other assets, such as savings).

- **Utility disconnection**

Your gas or electricity supplier should only disconnect your supply as a last resort and water companies aren't allowed to cut you off at all. The first step is to contact them and discuss your arrears. They may be able to arrange a payment scheme that spreads the cost of repayment over several months.

Chapter 3: Working with the banks

Should you tell your bank?

Many people with mental illness are sceptical about telling banks about their condition. But there can be some definite advantages. Once a lender's aware, it has to make adjustments.

It may be that you're worried about how your information will be used. Given that the Lending Code says any mental health info should only be recorded with the account holder's consent and in line with the Data Protection Act, you can feel more at ease with revealing this info.

If your condition makes you more likely to overspend or sign up for credit cards, some banks can add a note to your file. You call up the card company to let it know and they flag up your account when there are 'unusual transactions'. This means they stop you spending more than a certain amount or contact you if they spot erratic spending.

This shouldn't scupper your ability to get other products, such as a mortgage, as excluding those with mental health problems could be a breach of the Disability Discrimination Act.

It's crucial to discuss this with your case worker or debt counsellor. Also bear in mind that you may be asked to provide evidence of mental health problems, which would require discussing the debt with a doctor.



Tell your creditors? Mental health charity Mind's view

This is a difficult decision. In theory, it may be desirable for people to be open about their mental health condition, but prejudice and discrimination abound, so revealing it may have negative consequences.

When deciding, customers need to feel confident the lender will use the info in an appropriate and transparent way. There needs to be a clear indication that the creditor will take the information seriously and use it appropriately, ie, to flag concerns or adapt how it tries to recover debts. Check on the creditor's website to see if they have an official debt and mental health policy.

If you do decide to reveal your condition, think about how much and what kind of information you want to give, and who to share it with.

Take the following steps:

1**Speak to the right person**

If the creditor has a specialist team or staff member who deals with vulnerable customers, ask to speak to them. If not then, ask to speak to a senior customer services team member. If you disclose a disability, the creditor has to adapt its procedures under the Equality Act 2010. Keep a note of whom you spoke to.

2**Set some rules**

Be clear that you are disclosing this information on the understanding the creditor only uses it in the way you outline, eg, to identify unusual spending patterns. Also tell them what you don't want the info to be used for, ie, when it's processing future credit requests.

3**Get confirmation**

Under the Data Protection Act, mental health information is considered sensitive personal data and is subject to stringent restrictions. Confirm that the lender will treat your details as sensitive personal data under the act.

What banks are allowed to do

You have a raft of powerful rights and protections. Most importantly, banks must comply with the Lending Code, which covers credit cards, overdrafts and unsecured loans.

The code gives guidance to banks on dealing with mental health and debt, to make sure customers are treated sympathetically and fairly. If they flout these rules and won't help you, you can complain to the Financial Ombudsman.

Here are the key Lending Code rules your bank must adhere to once it knows you have a mental health problem. For a full list of rules, go to <http://tinyurl.com/2fbmf9g>.

- **Banks must give you 28 days to find information**

Banks must give people with mental health problems 28 days to gather info. This can be useful if it takes time to pluck up the courage to track down the paperwork.

- **Banks should keep debt in house**

The Lending Code spells out that lenders should consider keeping a debt in-house rather than passing it to a collection agent and also that they should ensure court action is a very last resort. This puts you in a stronger position when negotiating with a lender.

- **They should refer you to specialist teams**

Many banks now have specialist teams to deal with customers with both debt and mental health problems. These teams should be aware of difficulties, and adapt their approach, for example not telephoning if this causes stress.

- **They should consider the Money Advice Liaison Group's guidance**

The Lending Code also mentions the Money Advice Liaison Group's (MALG) mental health awareness guidelines. While banks don't have to stick to this in the same way, the guidance can be a tool when negotiating with banks.

It is aimed at money advisers, lenders and debt collectors, rather than consumers. But it includes lenders acting sensitively when communicating with the borrower and promptly responding to agreed actions. Read the full guide at <http://tinyurl.com/4va7roh>.

Put it on your credit file?

You can also volunteer to add information about any mental health problems to your credit files in what is called a notice of correction. This can be added or removed whenever you want, and will leave no footprint of any kind.

The catch is that it means future credit applications will be assessed manually. On the plus side, those with a mental health problem such as bipolar disorder may be prone to overspending during a manic episode. A notice of correction would alert any potential lender to the fact this person has a mental health problem and may persuade them not to lend further credit, which would help prevent further debt.

Yet a lender might also refuse credit even when you are well. Of course, you can remove the note at any time – but that will mean time issues.

If you're applying for a mortgage, there shouldn't be any terms or conditions within the agreement that excludes people with mental health problems, as this could be a breach of the Disability Discrimination Act. Even so, you may want to remove the notice from your file first, just in case.

It's worth getting support to evaluate this choice from a debt counsellor or case worker.

Make a complaint

If you feel you have been unfairly treated by your bank, you must first complain to the bank or lender itself. The simplest way to start this process is to speak to a supervisor or a manager. If this doesn't sort things, complain in writing.

Mental distress can make it extra difficult to start formal complaint procedures, so you could ask a friend or relative to help you instead. You could agree what to include in a letter, ask them to type it up for you, and make sure you are happy with the wording before you sign and send it.

If you feel your bank has left you in the lurch and you've complained to no avail, write to the free Financial Ombudsman Service.

The Ombudsman is an independent service created by parliament to help settle disputes between financial companies and their customers. It's free and risk free. The worst thing that can happen is you wait a couple of months and get rejected. You don't need to go in person, it's just a matter of filling in forms.

Your complaint could be that you feel the bank did not treat you according to the Lending Code's mental health and debt guidance. There's a full guide to how to complain to the Financial Ombudsman at: www.moneysavingexpert.com/ombudsman

Can you get debts written off? The Mental Capacity Act

If you or someone you know signed up to a financial commitment that you didn't have the mental capacity to understand, in some very rare cases you may be able to get the agreement cancelled. Under the Mental Capacity Act, banks cannot enforce contracts if the customer had insufficient mental capacity to take that decision at the time.

Crucially, in England, Wales and Northern Ireland, the lender must have known that the customer lacked capacity for the agreement to be voidable. This could be because of the person's behaviour, previous knowledge of them or anything said about their medical condition.

In Scotland the contract is void if someone can show they lacked capacity, regardless of whether the lender knew, under the Adults with Incapacity (Scotland) Act 2000.

This is a grey area. Just having a mental health condition does not in itself mean someone lacks capacity; it has to be shown the person was unable to make a decision at the time in question because of a mental health problem.

The Mental Capacity Act states that a person is unable to make a decision if they couldn't do one of the following:

- Understand information relevant to the decision
- Retain that information
- Use or weigh that information as part of the process of making the decision
- Communicate the decision

The contract can't be cancelled if the loan was for 'necessities', though what these are is subjective. This is a very complex area and the Office of Fair Trading is clarifying what it expects in terms of identifying borrowers who may lack capacity and how lenders should deal with borrowers.

The first step is to contact the bank in writing to ask that the debt be written off on the grounds that the person was lacking capacity. For help with this, contact your local Citizens Advice Bureau or call Mind's info line on 0845 766 0163.

Simply tell the story about your condition at the time and how the debt has worsened your financial situation. Any evidence from a doctor/psychiatrist/community psychiatric nurse would also help. If you believe the lender was aware you lacked capacity, include details of this too. A lender will need evidence of this.

If your bank won't help, you can go to the Ombudsman. The Ombudsman has said it is willing to look at claims if the borrower lacked capacity and the lender knew this at the time. All this is best done with help from Citizens Advice or a debt counsellor.

For a full guide to complaining, go to www.moneysavingexpert.com/ombudsman

Chapter 4: Approaches to treat mental distress

If you are experiencing mental distress right now and feel unable even to contemplate sorting out your money, some of the suggestions in this section may help you begin your recovery. They are tips from experts in the field and from those who've experienced problems — and offer a number of different approaches:

The Wellness and Recovery Action Plan (WRAP)

This helps you make a toolkit of things to keep you well and aid your recovery when you have been unwell. Part of this is recognising triggers or warning signs and pre-planning action to take when becoming unwell.

How successful this is does depend to some extent on how much support you have around you. Steps you can take include making an agreement with your spouse or trusted family members that you will give your credit card to them for safekeeping when you are becoming unwell. By planning when well, you can limit any potential problems that might arise when you are unwell.

You can find more information at www.workingtogetherforrecovery.co.uk

The website is aimed to be a resource for everyone who is interested in recovery. You can download a free workbook to help you in your recovery plan.

The Cognitive Behavioural approach

This can be effective for a lot of people. Cognitive Behavioural Therapy (CBT) aims to help you change the way you think, feel and behave. It is used as a treatment for various mental health problems. This approach doesn't involve taking medication as many people choose not to.

It can be done alone with the aid of a book, online or face-to-face with the support of another person. The principals of the approach help a person recognise the unhelpful thoughts that result in difficult emotions. This is a skill, like any other, such as learning to speak a different language or ride a bike, but once tried and practiced can be learned and put in to place on a daily basis.

Advice about this type of approach can be sought from GPs or NHS direct. You may be able to get treatment on the NHS or pay for treatment privately. You can find a list of accredited practitioners at <http://cbtregisteruk.com/>

Other approaches that might be helpful:

Be proactive

Practical financial help for people with mental health problems and debts is very important but there is also a real need for better access to medical treatment. This could also reduce the number of people getting into debt through mental health problems.

You can get the help you need but it helps to be proactive about it. As with all the suggestions in this guide, there is no one-size-fits-all solution, but try to be assertive with health professionals and look into different sources of help. Or you can ask a friend, family member or case worker to do the research on your behalf.

Understand your spending

It may feel like the spending happens out of the blue, but often a similar pattern emerges. The spending may be used as an attempt to improve your mood, or increase self-esteem.

Becoming more aware of these triggers can help make you feel more in control of your situation and recognize the symptoms early on. You can make a plan of action for when you notice your mood becoming low (eg, avoiding shops or giving your credit card to your partner temporarily). For some people, knowing the triggers is enough to help them.

Start with the easiest tasks first

There are techniques in *Managing Depression* by Phillip Barker, a psychotherapist specialising in depression, which can be adapted to debt issues. These include putting things in perspective and dealing with things starting with the easiest first. You can then build your confidence to dealing with more complex issues.

Analyse why you spend:

- Look for similar triggers to spending, eg, situations, feelings, thoughts. Keeping a diary might help. Identifying these triggers can highlight ways to change.
- What are your reasons for spending? If low mood is triggering the spending, maybe it would be useful to get help from your GP or a mental health professional.
- Sometimes spending is triggered by feelings of loneliness – try asking a friend or relative to visit you rather than heading for the shops.
- Use parental controls to turn off internet shopping and TV shopping channels if these are a particular temptation.
- For more general stop spending tips, there's a full guide at www.moneysavingexpert.com/stopspending

Medication

Sometimes it can be difficult to deal with money issues because of the side effects of medication. As one of our forum users commented: "Just because you are on medication, it still doesn't mean that you are making the right money decisions." If this is the case, consider asking your GP to reassess your medication.

If you are in hospital, it might be very difficult to find the time and means to sort out financial issues, particularly because you won't have access to documents. This is where it could be helpful to ask a trusted friend or family member to help you out.

What to do if you're going into hospital

If you're admitted to hospital, either voluntarily or under section, money is probably the last thing on your mind. Yet if you have no plans in place to deal with your finances when you're admitted, you could face debts when you're discharged.

Consider developing a plan with a friend or relative so they know what to do if you go into hospital. Set up direct debits to pay for essential bills, such as rent and council tax.

For more on what to do before going into hospital, order the free fact sheet 'Going into hospital – money matters' from Rethink's website at <http://tinyurl.com/667tfoy>.

Getting support

Of course, there's a trust issue here. Make sure you feel comfortable. While we don't want you to be overly cautious, sadly some family or friends may be after your money or want you to change your will.

One of the contributors to our forum found that their support worker was invaluable in helping them to manage their money on a day to day basis:

A Green Box Story - To Inspire

Jetcat's Story: How support workers can help

"My own experience of how a support worker can help in money situations is a positive one. When I had made a list of creditors and payments due (with the amount and date), my support worker kept a copy.

"She would then ring me a day before, just for a chat to see how I was doing. If I was struggling, then she would come round and we would arrange to meet the next day to go to the post office to pay the debt.

"If, on the other hand, I was doing ok, she would simply ask me what I had on the next day. She would never simply 'tell me' to pay the debt, as that would have been confrontational (in my mind anyway!). It allowed me to feel a little in control, and not so overwhelmed.

"I think at first people with mental health problems may need help to set up repayments, deal with creditors etc. but over time, we can be encouraged to do more for ourselves."

Get the help you need

You will find it helpful to have support from family, friends, a case worker or other health or benefits professionals that you can call on if you find your finances are overwhelming you.

Contact your council and GP to see if they can suggest any local organisations.

Chapter 5: How friends, family & carers can help

Where to start if a friend or family member has mental health and debt problems? Dealing with debt issues can be stressful at the best of times; those struggling need support as they make their way through the steps to being debt free.

Be pragmatic. One of the most helpful tasks you can do to support your friend or relation is go through The MoneySaving Checklist in Appendix 1 with them. Go with them to the bank, sit with them while they make a phone call to a debt counsellor and print out relevant articles for them if they don't have a computer.

Know their triggers

As a family member, friend or carer, you may be well placed to spot changes in behaviour or recognise the pattern of triggers. You may want to make an agreement that the person lets you know if they seem to be becoming unwell. You could make an action plan together, eg, looking after their credit card, helping them make a GP appointment.

Why you might not be able to access their account

It's important to understand that under the Mental Capacity Act (MCA), banks and building societies should assume people are capable of making a particular financial decision (unless it's proved otherwise), and should offer them appropriate support to do so.

This means that the bank can't treat someone differently or assume they can't make decisions just because their behaviour is out of the norm.

The act also means a family member cannot just walk into a bank and access or put a note on someone else's account without permission; the only way to do this is by lasting power of attorney (more on this below).

The Mental Health Foundation has published a full guide about how the Mental Capacity Act can help people with mental health problems deal with their money when they go into banks, building societies and post offices. Go to <http://tinyurl.com/2fykebm> to download the full Banking on Good Decisions guide.



Consider a basic or joint bank account

It can be a huge challenge if someone you care about is getting into debt trouble, but you don't have the power to access their bank account.

The solution depends on whether they have a fluctuating illness such as depression or mental capacity issues. Mental capacity means being able to make and communicate your own decisions.

Lasting power of attorney is unsuitable for those with fluctuating illness, such as bipolar disorder, as they lose independence when they are well too.

If overspending is a problem, you could encourage them to open a basic bank account. These work similarly to bank accounts, but won't let them withdraw cash if there's none in there. Account holders can withdraw cash, set up direct debits and standing orders, but they can't get a cheque book or overdraft. Though if they set up a direct debit or standing order and funds are not in the account so it bounces, you can still get charges – be careful of that. (Read more at www.moneysavingexpert.com/basicbank).

Another option is to discuss setting up a joint bank account to monitor their spending and step in if you spot an issue. However, remember that joint bank accounts financially link people, so consider the affect on your credit score (full details at www.moneysavingexpert.com/creditscore).

Finally, together, you could consider a third party mandate. This lets a bank give another person access to someone's account. The account holder specifies what the other person can and can't do with the account. The application procedure varies according to bank – call and ask how to apply.

Lasting power of attorney

If the person you care for has lost mental capacity, you will need more control over their accounts. This is called the finance and property lasting power of attorney, where someone nominates a trusted friend or relative to look after their affairs should they become incapacitated.

Lasting power of attorney (LPA) must be drawn up when the person is mentally capable of understanding what they are doing. It can be drawn up by anyone over 18; you don't need to be unwell. An LPA covering issues of finance and property allows the donor to specify whether it can be used prior to the loss of capacity or only when they lack capacity.

Once it's drawn up, you must apply to the Office of the Public Guardian to register the power of attorney and gain powers to manage the person's affairs. You don't need to register your LPA immediately, but early registration allows time for errors to be corrected.

In most cases this just means rubber-stamping the agreement, but a small proportion of cases maybe looked into further.

To get power of attorney, download the forms www.publicguardian.gov.uk or, for Scotland, www.publicguardian-scotland.gov.uk.

It costs £120 to register the lasting power of attorney application (£70 in Scotland), though if you earn less than £16,500/year you may get an exemption. The forms are 20 pages long and complicated, so it's sensible to get a solicitor to help (cost £600-ish) or ask your local law centre.

If they have already lost capacity ...

If someone's unable to look after their affairs but did not draw up power of attorney in advance, you need to become a deputy of the Court of Protection to make decisions on their finances.

The court appoints a 'deputy' to act for the person with incapacity, usually a family member or close friend. The court will decide whether a person has capacity to make a particular decision for themselves and whether the person is appropriate to be the deputy.

The downside is that it can be costly. It costs £400 to register and legal fees to take you through the process, which can take months, can be up to £5,000. Plus there's a supervision fee of up to £800 a year, depending on the level of supervision.

The Scottish system works slightly differently; you need to apply for 'guardianship' at the local sheriff court. Full details at www.publicguardian-scotland.gov.uk.

It's better to avoid this and consider setting up lasting power of attorney before it's too late, especially if they have mental illness or are elderly. This story sums it up ...

A Red Box Story - To Show You're Not Alone

Norma Desmond's story:

"My Mum is deputy (through the Court of Protection) to my Dad who has advanced dementia. It's a very long drawn out and quite intrusive procedure and all actual relatives do have to be contacted for their agreement (or otherwise).

"It's also quite expensive and Mum will have to pay a hefty yearly insurance premium too. I just wish that we'd managed to get Power of Attorney instead, when Dad was more capable."



Get carer's benefits and discounts

As a carer you may be eligible for state benefits such as carer's allowance; an estimated £600 million of this goes unclaimed each year.

To get carer's allowance you must be aged 16, not earn over £100 a week and spend at least 35 hours a week caring for someone who gets qualifying benefits. Even if you don't qualify, other cash could well be available. Go to www.turn2us.org.uk to quickly check what you're entitled to.

If someone you care for finds it hard to deal with the benefits system, you may be able to claim benefits on their behalf by becoming an 'appointee'. To do this, get in touch with the person's local Department for Work and Pensions.

There is also a raft of discounts for carers. For example, if you care for someone on disability living allowance, you can get a Cinema Exhibitors' Association card, giving a free carer's ticket every time you go to the flicks. To sign up, go to www.ceacard.co.uk or call 0845 123 1292.

In fact, carers can go free to everything from Glastonbury to Wimbledon, so it's always worth asking what discounts are available. MoneySavers report that it's easier to get discounts if you can get a 'yellow' card from social services, stating the nature of their disability.

Free advice and support

Don't be afraid to ask for help! For advice on financial and other support, we would suggest you call Carer's UK on 0808 808 7777. They can also direct you to carers' centres in your area. These are independent charities offering advice and free activities.

In addition, try www.crossroads.org.uk, an organisation that provides respite for carers.

Find out more: caring for someone with mental health problems

Money Made Clear's guide to managing money if you or someone you care for lacks mental capacity: <http://tinyurl.com/65uafmx>

British Banking Association's guide to Banking for people who lack capacity to make decisions. England and Wales: <http://tinyurl.com/2uemgo9> Scotland: <http://tinyurl.com/2a6kb8g>

Rethink's free factsheet on Debt & Mental Illness: Managing someone else's financial affairs: <http://tinyurl.com/29ew6wm>

Alzheimer's Society's guide to getting your financial affairs in order after diagnosis: <http://tinyurl.com/23ol8k7>

Appendix 1: The MoneySaving Checklist

The following are ways to manage your cash and reduce your outgoings, which are useful for those with debt and mental health problems.

This is MoneySavingExpert.com's standard debt help checklist (with added specialist tips for mental illness sufferers). We link to detailed articles on the website that take you through step-by-step.

If you know someone with mental health issues who doesn't have web access, do help them by printing the guides mentioned below.

✓ **Budget and reduce outgoings**

If you have debt problems, the most important step is doing a budget to get a handle on what you spend to future-proof your finances.

Draw up a budget based on a realistic appraisal of your income and outgoings. Consider noting everything you spend for a week or a month, to identify where the money is going. We have a detailed free budget planner that takes you through it step-by-step.

Free budget planner: www.moneysavingexpert.com/budget

✓ **Do a Money Makeover**

If you're up for more moneysaving, go through the full Money Makeover guide at www.moneysavingexpert.com/moneymakeover

You could hone your finances for £100s or £1,000s of savings on your mortgage, utility and phone bills. It's possible to make significant savings on gas, electricity, home or car insurance by using comparison websites.

Money might feel like the last thing you want to think about, but ask a trusted person to help you run through the list.

A Green Box Story - To Inspire

HappySad's story: "Sort finances when you're well"

"When you are mentally ill, you have to be somehow well enough mentally to work out what is out there for you. When I have well periods I spend plenty of time working out what I can do to make my ill times more manageable.

"As a mentally ill person you don't know what is on offer for you. Like you can apply for a carer card, so that they go free with you when you visit the cinema. Plus I'm now exempt from library fines — this has really reduced my anxiety with returning books."

✓ Can you get help paying the mortgage?

At the time of writing, there are three government schemes specifically to help mortgage holders who are struggling to make monthly repayments. They range from an extra benefit to pay the interest for you, to a full rescue scheme where the local council buys some or all of your home, then rents it back.

Full info: www.moneysavingexpert.com/mortgagearrears

✓ Reclaim, Reclaim, Reclaim

Some of your debt could be made up of charges that have been unlawfully taken from you. If you have incurred charges for going over your limit in the last six years, you may be able to get some of the cash back.

It's also possible you may be in one of 400,000 homes in the UK paying too much for your council tax. Reclaims can be time consuming and stressful (you may want to ask a trusted friend for help).

Full info: www.moneysavingexpert.com/reclaim

✓ Have you had a loan/credit card in the last six years?

If you've got or had a loan, credit or store card in the last six years, you may be able to reclaim £1,000s. The misselling of expensive Payment Protection Insurance (PPI) alongside these products has been rife.

PPI's not a bad policy. It's usually designed to make loan repayments for you if you're sick or become unemployed. Yet, when it's sold with bank loans, suitability checks are rarely done. Plus it can cost five times over the odds.

The PPI seller has a duty to ensure your policy is right for you at the moment you buy it. One common form of misselling is if you had a medical condition, including a mental health condition, and you weren't asked about it. In this case, it's possible you were missold, because the lender did not inform you that the condition was excluded.

For full info and free template letters to ask for your money back, go to:

www.moneysavingexpert.com/ppi

✓ Cheaper travel, health & life insurance

Anyone who's had a past serious medical condition or disability is likely to be quoted high amounts from most traditional insurers; it's even worse for over-65s. Yet there are a number of ways to cut the cost and still ensure you're protected.

If you're staying in Europe, the EHIC card gives you free or discounted medical treatment in any state-run European Union hospital (and a few other countries). Though don't consider it a suitable substitute for travel insurance, as it doesn't cover possessions, baggage or repatriation. There's a full guide at www.moneysavingexpert.com/ehic

Where travel insurance is concerned, a number of insurers specialise in policies for those with prior illnesses. There are no hard or fast rules, so get quotes from as many as you can. There's a full list at www.moneysavingexpert.com/travelinsurance

An alternative is to get a packaged bank account (something we normally rail against) that includes free travel insurance as a perk. If the bank confirms the policy would cover you, it could actually work out cheaper.

The Bipolar Organisation (www.mdf.org.uk) has set up an insurance scheme for bipolar disorder sufferers. It liaised with brokers to arrange travel insurance for its members.

There is detailed advice on insurance for people with mental health problems on Mind's website at <http://tinyurl.com/3a9wu7a>

✓ **Pay bills by direct debit**

Consider switching to paying bills by direct debit. Using regular payments can help simplify your finances, helping you to budget and ensure bills get paid when you're ill. Though do keep checking your bank statements.

You even get a discount from many companies for paying this way. A warning though: while regular payments for gas and electricity bills, home phone and broadband can save you money, home and car insurers charge you interest for doing so.

Plus avoid regular payments on your credit card like the plague; you can't cancel them – only the company you're paying can do that.

Full info: www.moneysavingexpert.com/dd

✓ **Buy an NHS prescription season ticket**

If you live in England and regularly pay for prescriptions, consider buying a prescription pre-payment certificate to cover all your NHS prescription fees for a set period.

At the time of writing, a three-month one is £28.25, and is worth it if you use four or more prescriptions in that time. The 12-month pass is £104 and is a good option if you use 15 or more prescriptions.

As a rule of thumb, pay for more than one prescription a month and you'll save. Prescriptions are free in Wales, Northern Ireland and, from 1 April 2011, Scotland.

Full info: www.moneysavingexpert.com/prescriptions

✓ Take advantage of disability discounts

If you receive disability living allowance (DLA), there is a raft of discounts available. One of the best is a Disabled Persons Railcard, which costs £18 and cuts a third off your ticket and an adult companion's – they don't have to be a carer.

To qualify, you must get either the mobility element of DLA or the higher/middle care element. Full list of who qualifies at <http://tinyurl.com/5ox6l>.

People receiving certain benefits get reduced fees and charges at most libraries; your local one can tell you what it offers. There are stacks more discounts in the forum's Great 'Disabled Discounts' Hunt at www.moneysavingexpert.com/ddhunt.

✓ Consider a basic bank account

Credit can be useful, for example if you want to go to university or buy a house. Yet if you have mental health problems, it's less stressful if you can live without credit cards and loans.

One under-publicised route to help deal with your finances is a basic bank account. They are specially designed products for those with very poor credit scores, but can also be a useful tool for those who may build up debt when they are unwell.

They work similarly to bank accounts, but won't let you withdraw cash if there's none in there. You can withdraw cash, and set up direct debits and standing orders as normal, but you can't get a cheque book or overdraft. Though if you set up a direct debit or standing order and funds are not in the account so it bounces, you can still get charges – be careful of that.

We'd suggest trying Barclays or the Co-op bank which allows anyone to get one – provided they've got ID. See the Financial Service Authority's Basic Bank Accounts PDF Guide at <http://tinyurl.com/26ltlet>.

Alternatively, credit unions are independently run local co-operative organisations that aim to assist people who may not have access to financial products and services elsewhere. There are around 500 in the UK, providing loans, savings and sometimes current accounts.

Full info: www.moneysavingexpert.com/basicbank

✓ Grab a grant

There is an abundance of free cash available to help increase your home's energy efficiency or just to do it up. The key is knowing where to look.

Lots of UK grants go unclaimed, many but not all for the elderly, disabled or those on lower incomes. For example, one MoneySaver paid £2,000 for a new boiler but later found out she could have got it for nowt because she got disability living allowance.

Full info: www.moneysavingexpert.com/grants

Cut the cost of all your debt

✓ Check credit reference files (for free)

Before you start it's worth ensuring your ability to get new cheap credit isn't being hampered by erroneous data on your credit files. There are loopholes to check for free, though these are fiddly. If you prefer, you can pay £2 per agency to get them online or by post.

See www.moneysavingexpert.com/creditscore

✓ Shift debts to a cheaper credit card. *Suitable for: Mid to high credit scorers*

Used correctly and with discipline, credit cards are the cheapest borrowing possible; this is especially true when shifting debt to new 'balance transfer' offers. It's possible to get long term borrowing on a credit card at under 7%. Even if you don't have a great credit score, there are still attainable deals.

Full info: www.moneysavingexpert.com/bts

✓ Cut credit card costs without new credit. *Suitable for: Low-mid to high credit scorers*

If you're rejected for new credit, many card companies have hidden existing customer offers. Ask your provider: "Will you give me a cheap deal if I shift debts from other cards to you?" Many will.

Full info: www.moneysavingexpert.com/shuffle

✓ Repay debts with savings

If you've ANY spare cash, throw it at reducing any expensive borrowing, as debt usually costs much more than savings earn. If you are worried about not having an emergency fund, you can find more details on how that works at www.moneysavingexpert.com/payoffdebts.

✓ Remortgage: Shift debts to a cheap deal

A mortgage is a loan secured on your home. This means if you can't pay it back, the lender can take your house. It's because of this additional security that it can offer a cheap rate over a long term.

An obvious idea is to shift credit card and other loan debts onto your mortgage. On the surface this looks like a no-brainer. Yet technically you are shifting unsecured debt to secured debt, so there's an increased risk of losing your home. It's still worth considering though, especially if you've a flexible mortgage so you can pay the debts off more quickly.

Full info: www.moneysavingexpert.com/remortgageguide

✓ Free cash to help pay for utility arrears

Some utility companies offer help if you have large arrears on your gas, electricity or water bills. You'll usually need to be a customer of the company, so contact yours to see if it has a scheme.

For energy, Homeheat gives advice on utilities (including grants and reduced tariffs) to people struggling to pay their bills and keep warm. Call 0800 33 66 99 or check www.homeheathelpline.org.uk for info. The water.org.uk website lists all the water company schemes.

✓ Social Fund Crisis Loan

If you need money to cope with a disaster or an emergency, to help stop serious damage or risk to you or your family's health and safety, and you can't get help from anywhere else, you may be able to get a Crisis Loan from the Job Centre Social Fund budget.

There's no need to be on benefits to apply. Loans of up to £1,500 are available if you're on a low income and have no or low savings, although there isn't a very big pot of money. Apply at your local Job Centre.

Martin's Money Moment**Stop spending!**

Even if you follow all the tips in the debt help check list, if you continue to spend, your finances are going to be in a state. Sometimes it takes two simple words: 'stop spending!'

Of course, lots of people with depression spend because retail therapy makes them feel good. Try free ways to lift your mood: go for a gentle stroll, have a cuppa with a pal, eat more fruit and veg.

One of the big problems is people ask the wrong questions. Instead of asking "How do I get the shiny new car/glamorous holiday/amazing Christmas I want on my salary?", ask "On my salary, what's the best lifestyle I can possibly have?"

Tips from people who've done it include sleeping on a purchase; you may find it doesn't seem as attractive the next day. If you're tempted by an impulse buy, work out how long it would take you to earn that money in hours worked. If you get paid £5/hour and it costs £150, that's an extra 36 hours.

Finally, leave debit/credit cards at home and simply don't go shopping – if you don't go to the shops, you can't be lured by nice things.

If you spend as part of your condition, ask your counsellor for help. For more tips, go to www.moneysavingexpert.com/stopspending.

Appendix 2: Useful contacts

Please see Chapter 2 for free debt help contacts.

MindinfoLine: Provides information on a range of topics including all types of mental distress and where to get help. The helpline can point people to other organisations, eg, benefits advice, so it is a good first port of call.

Link: www.mind.org.uk **Tel:** 0845 766 0163

The Rethink Advice & Information Service: A service giving expert advice and info for people with mental health problems (and those who care for them) on medication, access to treatment, welfare benefits, discrimination and more.

Link: www.rethink.org **Tel:** 0207 840 3188

Breathing Space Scotland: Free and confidential phonenumber for anyone experiencing low mood or depression or who is worried and needs someone to talk to.

Link: www.breathingspacescotland.co.uk **Tel:** 0800 83 85 87

Money Made Clear: Phone and online money advice on a wide range of subjects.

Link: www.moneymadeclear.org.uk **Tel:** 0300 500 5000

Advice for specific conditions

Combat Stress: Charity providing free services for ex-service men and women with conditions such as Post Traumatic Stress Disorder (PTSD), depression and anxiety disorders. Support can be residential, community-based or financial.

Link: www.combatstress.org.uk **Tel:** 01372 587000

The Bipolar Organisation: Membership costs £20 a year (£10 unwaged) includes access to a free legal advice line, travel insurance scheme and self help groups.

Link: www.mdf.org.uk **Tel:** 0207 793 2600

Bipolar Scotland: Provides information, support and advice for Scottish people affected by bipolar. Membership costs £20 a year (£5 unwaged).

Link: www.bipolarscotland.org.uk **Tel:** 0141 560 2050

Alzheimer's Society: Provides information, support, guidance and referrals to appropriate organisations.

Link: www.alzheimers.org.uk **Helpline:** 0845 300 0336

Legal advice

- **Mind's Legal Line**

Free legal information and general advice on mental health related law.

Link: www.mind.org.uk **Helpline:** 0845 225 9393

- **Community Legal Advice (includes Housing Duty Scheme)**

Legal advice on a wide range of issues for those on benefits or a low income. The Housing Duty Scheme gives free advice by phone or at around 100 courts across England and Wales if you are in danger of eviction or repossession.

Link: www.communitylegaladvice.org.uk **Tel:** 0845 345 4345

Advice on discrimination at work

- **The Equality and Human Rights Commission**

Free initial advice on discrimination cases.

Link: www.equalityhumanrights.com **Helpline:** 0845 604 6610

- **Advisory, Conciliation and Arbitration Service (Acas)**

Free service that helps to resolve disputes between employers and their employees.

Link: www.acas.org.uk **Helpline:** 0845 747 4747

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