

## **BENEFIT COMPLEXITY AND ‘FOOD BANK DIVERTS’ LEAVE MANY BRITS MISSING OUT ON FINANCIAL SUPPORT, NEW DATA REVEALS**

- **Bigger than the cost-of-living crisis: 60% of Brits claim ‘limited access to financial support’ has been a problem for a ‘number of years’ with many struggling to find, and understand, monetary solutions they are entitled to.**
- **Visiting food banks is the ‘new norm’: 44% of Brits who have sought help, believe they were ‘wrongly redirected to food banks’ and described this as a recurring issue.**
- **A sign of the times or a sign of the last decade? New research shows the same number of people, in a desperate bid to pay unexpected bills, sought the help of a ‘loan shark’ as they did a ‘financial adviser’.**
- **Greater Manchester Poverty Action is calling for a clearer, ‘cash first’ approach in the UK– The not-for-profit urges local authorities to adopt its ‘Money Advice Referral tool’ aimed at simplifying the process of seeking financial support in the UK.**

A new study has revealed ‘government red tape’ and ‘food bank diverts’ have left Brits facing financial hardship for nearly a decade – today experts call for a simplified money referral process to ensure Brits to get the ‘cash first’ support they need.

In a survey of 2,700 UK residents, by Greater Manchester Poverty Action, a worrying 60% believed financial support had felt ‘limited for several years’, with more than half (58%) reporting some financial struggles within the last six years.

Experts say, today’s worrying findings highlight a problem greater, and much longer term, than UK households surviving the cost-of-living crisis. Nearly a quarter of those surveyed (22%) claimed to have felt the pressure on their finances in the last two to four years.

Across the UK more than half (59%) were said to have applied for benefits or universal credit within the last decade. While some may have been successful (34%) in receiving financial support many remarked the process was tainted with ‘diverts and delays’. A shocking 44% claim they were wrongly sent to foodbanks and one in 10 struggled to know who to speak to for financial advice.

Some of the lowest income households with dependents or children were worryingly the most effected. Nearly a quarter of people getting by on £25,000 to £35,000 per year as a total household income described the process of seeking support as laden with ‘red tape’ and ‘confusing.’

Further findings showed nearly one in five people had to seek support from the job centre, councils and help lines to get access to any cash benefits because the process was so ‘unclear’.

And most concerningly, despite financial worries and hardship, one in 10 gave up on the process of finding financial support because it was perceived to be too difficult or complicated. One respondent in the study described the process of seeking financial support in the UK as ‘designed to make it impossible’ and another said they were left ‘confused’, feeling ‘helpless’ and ‘pushed to food banks’.

GMPA, in partnership with local authorities and councils, has created the Money Advice Referral Tool (MART). This is a simple tool that helps people living in financial hardship by identifying the range of support available in their area, from benefits, universal credit to debt referrals. GMPA believe MART could be dialled out across multiple regions to support those who need ‘cash first’ help and to reduce the reliance on foodbanks.

Graham Whitham, Chief Executive of Greater Manchester Poverty Action (GMPA), said: “We believe when tackling poverty and financial hardship in the UK we need to provide cash-first support to ensure we maximise household incomes. Food banks aren’t the solution; they are a sticking plaster for the problem and ultimately shouldn’t need to exist.

“Whilst the benefit system is often not generous enough, £19 billion of benefits go unclaimed nationwide each year – the Money Advice Referral Tool streamlines the process and helps people to get the support they are entitled too.”

More than half of the 2,700 people surveyed by GMPA believed if they were faced with financial hardship there would be ‘no support’ for their situation. And a quarter of Brits said they didn’t feel equipped to deal with financial hardship should it arise.

In a desperate bid to pay unexpected bills, the data showed the same number of people would be as likely to seek help from a ‘loan shark’ as they would a ‘financial adviser’.

Graham Whitham added: “A common theme in the data is that people don’t know where to turn in the event of unexpected bills or financial hardship. No one should feel forced to go to unsolicited lenders because of red tape littering our benefits system.

“We are seeing a real impact on people’s livelihood and wellbeing. More than one in 10 said they would feel ‘ashamed’ to be suffering from financial difficulties and 21% claimed they would struggle with the burden alone and try and sort it out for themselves. At GMPA we are passionate about improving living standards across the UK, ensuring people can afford to live year in, year out. Unclear processes shouldn’t be scuppering a person’s quality of life.”

#### **ENDS**

**For more information please contact GMPA MART PR representative Emma Holgate-Lowe at The Lowedown. 07909776617/ the-lowedown@outlook.com**

#### **MEDIA KIT AVAILABLE:**

Full database research and data.

Further information on the Money Advice Referral Tool

Media facing case studies – available for interview, film and photography.

Interview requests/additional commentary from Graham Whitham

#### **NOTES TO EDITOR:**

**RESEARCH:** The research was conducted by Censuswide with 2783 general respondents in the UK between 25.05.23 - 31.05.23. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles and are members of The British Polling Council.

#### **ABOUT GREATER MANCHESTER POVERTY ACTION:**



GREATER MANCHESTER  
POVERTY ACTION

Greater Manchester Poverty Action is a not-for-profit organisation working to prevent and reduce poverty across Greater Manchester and nationwide. GMPA works with stakeholders across the public, private, voluntary and community sectors to effect change and collectively support low in-come, financially struggling households.

GMPA, in partnership with local authorities and councils, has created the Money Advice Referral Tool (MART). This simple tool that helps people living in financial hardship by identifying the range of support available in their area, from benefits, universal credit to debt referrals. The MART is currently in operation on 6 out of 10 Greater Manchester boroughs. GMPA believe MART could be dialled out across multiple regions to support those who need 'cash first' help and to reduce the reliance on foodbanks.

Whilst the benefit system is often not generous enough, £19 billion\* of benefits go unclaimed nationwide each year – the Money Advice Referral Tool streamlines the process and helps people to get the support they are entitled too.

The MART provides a framework for a conversation with someone living in poverty or struggling with their finances, following a step-by-step to identify the most appropriate option for support. To date, the MARTs are being used by more than 200 organisations across Greater Manchester, including school pastoral staff, NHS maternity visitors and voluntary sector workers.

\*REF: Policy in Practice. The Policy in Practice £19bn research was published in May:

<https://policyinpractice.co.uk/new-analysis-missing-out-19-billion-of-support-goes-unclaimed-each-year/#:~:text=unclaimed%20each%20year-,New%20analysis%3A%20Missing%20out%3A%20%C2%A319%20billion%20of,support%20goes%20unclaimed%20each%20year&text=New%20analysis%20by%20Policy%20in,%C2%A318.7%20billion%20a%20year.>