



# Barriers to Inclusion? Debt, Accessing Credit and Illegal Money Lending: Exploring the Issues Facing People Leaving Prison in Northern Ireland

## Report Overview

### Date completed:

May 2021

### What we did and who we spoke to:

NIACRO was commissioned by the Consumer Council to research prison leavers' experiences of accessing financial services and accruing debt. The study focused on credit outside mainstream services - particularly illegal money-lenders. Three online focus groups with members of NIACRO staff were held alongside interviews with NIACRO project workers. In addition, case studies documenting experiences relevant to the research, supplied by NIACRO staff, were also used. All case studies reference male subjects; reflective of the largely male demographic of the NIACRO clients on which the research is based.

### What we asked:

The primary objective of this research was to understand the barriers prison leavers' experience when trying to access financial services on release from custody. Therefore, the research asked the participants for the experiences of their clients with a focus on a number of key areas including:

- What are the issues/challenges facing those leaving prison and their families in terms of accessing credit? Has COVID-19 had an impact in this regard?
- What are the consequences of not being able to access mainstream forms of credit?
- What are the risk factors that may make some individuals need to turn to 'loan-sharks' or illegal money lenders and what are the consequences/impacts that individuals may face if they use 'loan sharks' or illegal money lenders?
- Are there links between difficulties in accessing mainstream credit and having to (re)engage in criminality to support themselves and/or their families)?

### What we were told:

This research has found that many people recently released from prison turn to 'illegal' forms of credit as a result of:

- Difficulty accessing/opening a bank account
- Exhausting all legal forms of credit or being refused access to legal forms of credit
- Spending lump sum Universal Credit payments accessed via voucher schemes quickly without regard to budgeting (associated with impulsive behaviours, addictions and lack of budgeting skills)
- Changing circumstances that necessitate quick and convenient money from lenders who do not require detailed applications or forms of identification
- Servicing legal debts or repaying other forms of 'illegal' debts (such as drug debts)
- Paying household bills and insurance, as the cost of living can be particularly high when living an unsettled lifestyle (in and out of prison)
- Viewing illegal money lenders as a normal interaction within their community
- Being perceived by criminal gangs/money lenders to be vulnerable and therefore targeted/exploited

The report highlights the need for financial interventions at the earliest possible opportunity, with the aim of supporting a reduction in (re) offending by ensuring people achieve greater financial stability. The aims would also be to ensure those who do receive custodial sentences are better placed to deal with the financial 'fall out' of time served in prison.