# Lending, Savings and Debt Research: Northern Ireland Consumers

March 2021

CONTENTS

## 1. EXECUTIVE SUMMARY

1.1 In 2019 the Consumer Council commissioned quantitative research to survey consumers in Northern Ireland to understand their opinions, thoughts and experiences of financial matters surrounding lending, savings and debt[1]. Since the original research was conducted the COVID-19 pandemic has had a significant impact on society. Therefore, the Consumer Council commissioned this study again in 2020 to understand how the pandemic has impacted consumers in these matters.

1.2 The research aimed to provide greater insight into the habits, behaviours and views of Northern Ireland consumers and to understand how the COVID-19 pandemic has impacted on the financial situation of the Northern Ireland population.

1.3 Understanding consumers' behaviours in these areas will inform our work and support us in making appropriate policy recommendations to the Northern Ireland Executive and other government departments. The findings from this study will also support us in our work with stakeholders as we take forward initiatives and explore solutions to improve availability of affordable credit products and enhance the opportunities for consumers to access them.

1.4 The Consumer Council will use our unique research to campaign and influence policy makers to secure positive policy changes on behalf of Northern Ireland consumers. The findings will also influence our education and outreach work and we will seek to develop relationships with organisations to help us support key consumer groups that may be disproportionally affected by the impact of COVID-19, including women, young people and those households with a disabled person.

## 2. KEY FINDINGS

- The proportion of respondents not saving at all remained consistent with the 2019 research for both the general Northern Ireland adult population and the booster areas[2] (19% and 40% respectively), while the proportion of regular savers (those saving weekly or monthly) increased from 54% to 66% in the main survey and 36% to 46% in the booster survey. Under half (48%) of social tenancy households in the main survey were regular savers, this fell to a third (33%) in the booster areas.

- For almost a quarter (24%) of respondents to the main survey, the COVID-19 pandemic and lockdown had increased their ability to save, for 29% their ability to

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[1] https://www.consumercouncil.org.uk/sites/default/files/2020-07/Lendings_Savings_Debt_Research_Report_NI.PDF

[2] 10 key areas identified through Cooperation Ireland's 'Building Capacity in Communities in Transition' programme as particularly impacted by paramilitarism, criminality and organised crime

save had decreased and for 45% it had remained the same. The COVID-19 pandemic and lockdown had a greater negative impact on the saving ability of those in the booster areas. Only 12% had seen an increase in their ability to save, while 37% said their ability to save had decreased. For half (50%) their ability to save had not changed.

- In 2019, 39% of main survey respondents and 54% of booster survey respondents reported not to have any loan or credit products in their name. In the present research, these proportions have reduced to 32% and 47% respectively, meaning respondents to the 2020 survey were more likely to hold a loan or credit product than in the previous year.

- Of respondents to the main survey who had borrowed, 15% reported that as a result of the COVID–19 pandemic, they had to borrow money that they would not have had to borrow otherwise. This rose to 27% of borrowers in the booster areas.

- Young people (16 to 24), low income households (DEs) and social tenancy households were more likely than other demographic groups to have had to borrow due to the pandemic. These groups are also more likely to rely on informal lending options such as friends and family, and less likely to approach formal institutions such as banks. This demographic trend is reflected in the finding that over half (55%) of those who had borrowed due to the pandemic had done so from a friend or family member, rising to 72% in the booster areas.

- The percentage of survey respondents reporting current debt has increased since 2019 when the figure stood at 11% for both main and booster survey respondents. In the present research, over a fifth (21%) of respondents to the main survey and 28% of respondents in the booster areas said that they were in debt. The percentage increased substantially within the 16 to 24 age group, from 14% in 2019 to 22% in the present research.

- There was a considerable reduction since 2019 in the proportion of respondents reporting awareness of illegal lending, both within their local area and elsewhere in Northern Ireland. For main survey respondents, awareness fell from 35% and 50% within and outside their local area respectively, to 21% and 40% in the recent research. There was a similar decrease in the booster areas in relation to awareness within the local area; from 36% in 2019 to 20% this year. However, the drop in awareness was starker in relation to awareness of illegal lending elsewhere in Northern Ireland; down from over half (55%) to a quarter (25%).

- It is suggested that this reduced awareness may be attributed to the impact of limitations placed on social interaction by COVID-19 restrictions. At the same time that opportunities for informal communication about such practices outside of the home have reduced, COVID-19 has also become the dominate top-of-mind issue.

- Despite reduced awareness, there was no reduction in the proportion of respondents having used an illegal lender. The proportion of respondents using an illegal money lender increased slightly from 2019. Up from 1% to 2% for main survey respondents and from 3% to 4% in the booster areas. Given the openness shown by respondents in answering other sensitive questions in the survey via phone, it is suggested that the increase may be due to the greater anonymity provided by telephone over a face-to-face methodology. Those in social tenancy households were more likely than any other group to have used an illegal lender, suggesting that loan sharks are targeting their practices towards residents in this tenure type.

- The findings on preferred day-to-day payment method reflected the impact of the COVID-19 pandemic on consumer behaviour. There was a significant decrease in the proportion using cash as their primary method since the previous research (down from 66% to 34% of respondents to the main survey, and 77% to 46% in the booster areas).

## 3. INTRODUCTION

3.1 The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland. Our statutory functions cover energy, post, transport, water and sewerage, and food affordability and accessibility. Our non-statutory functions educate and empower consumers against unfair or discriminatory practices in any market including financial services.

3.2 The Consumer Council is funded by HM Treasury (HMT) to address the issue of illegal money lending in Northern Ireland. The focus of our work is research, education and supporting the development of alternative forms of lending.

3.3 In 2019, the Consumer Council commissioned quantitative research to survey consumers in Northern Ireland to understand their opinions, thoughts and experiences of financial matters surrounding lending, savings and debt[3]. Since the original research was conducted the COVID-19 pandemic has had a significant impact on society. Therefore, the Consumer Council commissioned this study again in 2020 to understand how the pandemic has impacted consumers in these matters.

3.4 We were also interested in undertaking focused research in 10 key areas identified through Cooperation Ireland's 'Building Capacity in Communities in Transition' programme as particularly impacted by paramilitarism, criminality and organised crime. Consumer behaviour and views in these areas were assessed through a booster survey and the areas are as follows:

- Antiville and Kilwaughter in Larne together with Northland and Castlemara in Carrickfergus;
- Brandywell and Creggan in Derry/Londonderry;
- Kilcooley (Clandeboye 2&3 SOA) and Rathgill (Conlig 3 SOA) in North Down;
- Drumgask and Kilwilkie in Lurgan;
- Lower Falls, Twinbrook, Poleglass, Upper Springfield, Turf Lodge and Ballymurphy in West Belfast;
- New Lodge and Greater Ardoyne in North Belfast;
- Shankill (upper and lower, including Woodvale) in West Belfast;
- The Mount and Ballymacarrett in East Belfast;
- Newtownards; and
- Tigers Bay, Belfast.

[3] https://www.consumercouncil.org.uk/sites/default/files/2020-07/Lendings_Savings_Debt_Research_Report_NI.PDF

3.5 The research aimed to provide greater insight into the habits, behaviours and views of consumers and to understand how the COVID-19 pandemic has impacted on the financial situation of the Northern Ireland population.

## 4. RESEARCH OBJECTIVES

4.1 The research aimed to provide greater insight into the habits, behaviours and views of Northern Ireland consumers in relation to the following:

- General banking including types of financial products held and usual methods of payment for goods and services;
- Saving habits including frequency and amount;
- Borrowing habits including types of credit products held, levels of borrowing and lenders considered;
- Debt levels and debt management, including where consumers seek help with debt;
- Awareness and use of illegal money lenders in Northern Ireland; and
- Impact of the COVID-19 pandemic on consumer behaviours in respect of lending, savings and debt.

## 5. METHODOLOGY

5.1 The Consumer Council commissioned Perceptive Insight through a competitive tender exercise to undertake quantitative research.

5.2 Perceptive Insight undertook a statistically representative survey of Northern Ireland consumers using a telephone interviewing methodology. The 2019 survey had been conducted face-to-face, however COVID-19 social distancing restrictions necessitated a change of research methodology. It is not possible to measure the potential impact of this change on survey results, however the report highlights where differences in findings between the two studies may in part be due to the changed methodology. Interviewing took place between September and November 2020 with each interview taking, on average, 10 to 15 minutes to complete. Interviewing was carried out in compliance with data protection legislation and the Market Research Society Code of Conduct.

**Questionnaire Design**

5.3 The questionnaire largely mirrored that used in 2019 in order to allow for comparison with the previous data set. Additional questions were added to capture the impact of the COVID-19 pandemic. The questionnaire is included in Appendix A.

**Sample Design**

5.4 In total, 1,024 interviews were carried out with the general Northern Ireland adult population and 523 were conducted with respondents from the booster areas; approximately 50 in each of the specified areas. To ensure that the general population survey was fully representative, quotas were set based on the NISRA 2019 Mid-Year Population Estimates and the 2011 Census for:

- Age;
- Gender;
- Socioeconomic group;
- District council, and
- Urban/rural setting.

5.5 A standardised social grade classification based on occupation was utilised and is referenced below. Disability status and housing tenure were also monitored throughout the fieldwork process. In keeping with the previous survey methodology, the booster survey was fully random in relation to demographic profile, however a quota of 50 interviews per area was set.

**Reliability**

5.6 When conducting a survey, statistical inferences are made on the reliability of the findings. The reference table below (Table 1) details the sampling errors based on a number of sample sizes and a 95% confidence level. The table shows the maximum margin of error that would be achieved. In simplistic terms, this means that for a survey of 1,000 respondents, if the study was repeated, 95 out of 100 times the response would fall within a range of +/-3.1% of the original answer. As such, when segmentation exercises are undertaken on the survey results whether that be by age, gender or housing tenure, reliability decreases. The sample sizes are identified throughout the report and caution must be exercised when looking at results that contain small sample sizes.

**Table 1: Accuracy of results based on different sample sizes**

| Sample size | Maximum margin of error (at 95% confidence limits) |
|---|---|
| 100 | ±9.8% |
| 150 | ±8.0% |
| 200 | ±6.9% |
| 300 | ±5.7% |
| 400 | ±4.9% |
| 500 | ±4.4% |
| 1,000 | ±3.1% |

## 6. FINDINGS

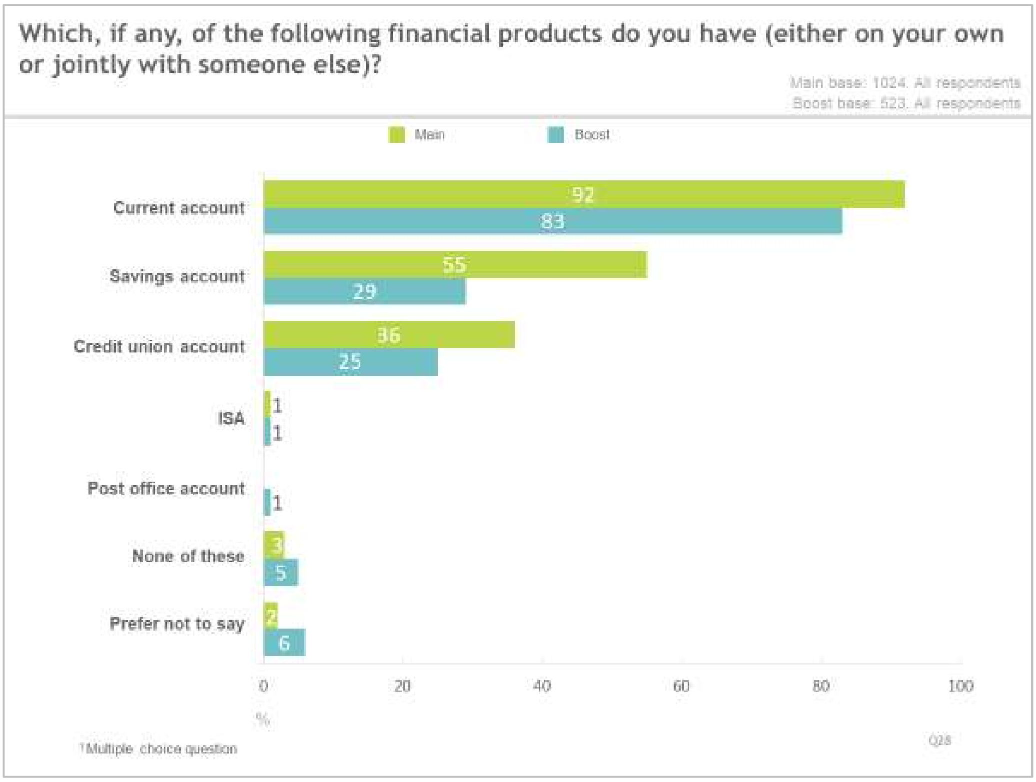
**General Banking**

6.1 Almost all (92%) respondents to the main survey had a current account. This fell to 83% of respondents in the booster areas. Over half (55%) of respondents to the main survey held a savings account, however this figure fell to 29% of respondents in the booster areas. Respondents to the main survey were also more likely to have a credit union account (36%) than those in the booster areas (25%).

6.2 Those in the 16 to 24 (88%), and 65 and over (86%) age brackets were less likely to hold a current account than those in the other age groups. Low-income households were markedly less likely to hold a current account than those in the other socioeconomic groups (87%, compared to 96% of ABC1s and 92% of C2s). Households with a disabled person were also considerably less likely to have a current account than those with none (88% compared to 95%).

6.3 The pattern was repeated for those in social housing; 86% of respondents living in this tenure type held a current account, compared to 95% of those who owned their home or were buying through a mortgage, and 91% of those in the private rented sector. This figure fell to 80% of those in social housing in the booster areas. A similar percentage of urban and rural respondents held current accounts (93% and 92% respectively).

**Figure 1: Q28 Current account and savings account held by sample type**




6.4 A similar number of respondents to the 2019 research held a current account (91% to the main survey and 85% to the booster areas; compared to 92% and 83% respectively for the present study). The findings were also similar for those with current accounts in the following vulnerable respondent categories:

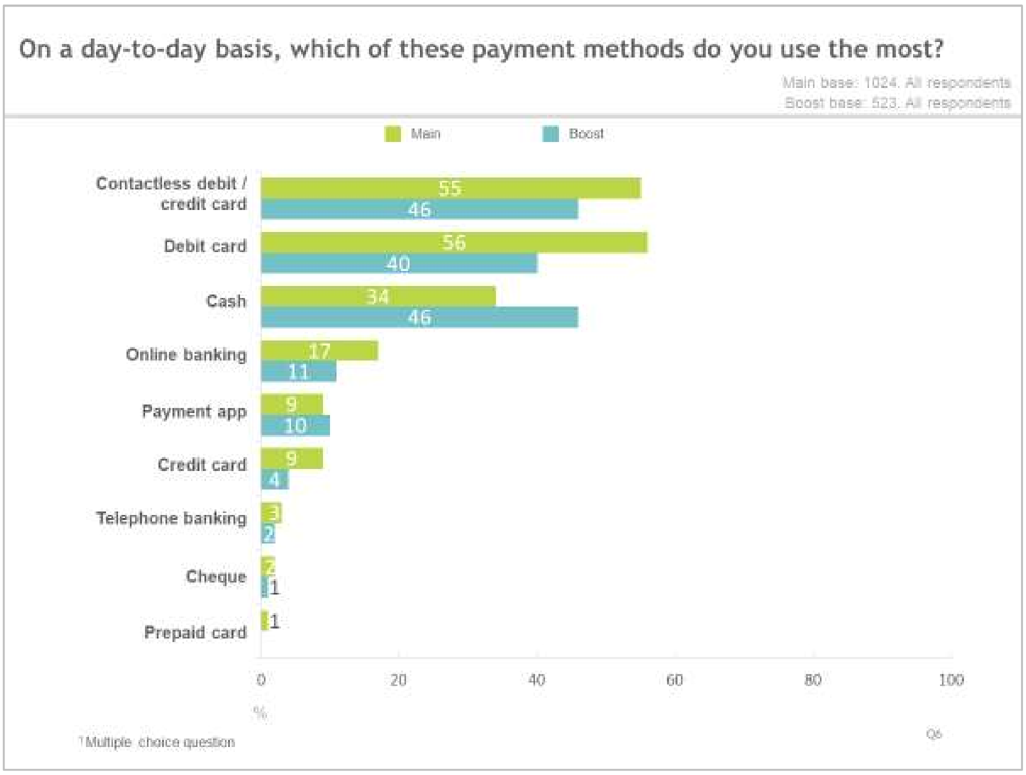
- Those aged 65 and over (87% in 2019 compared to 86% in the present research);
- Low income households (85% compared to 87%);
- Households with a disabled person (83% compared to 88%); and
- Social housing tenants (82% compared to 86%).

6.5 However, results of the 2020 study did not repeat the disparity in urban and rural responses captured in the 2019 research. Overall, respondents to the 2020 main survey were more likely to report having a savings or credit union account (55% and 36% compared to 44% and 25% respectively), however the percentage giving the same response in the booster areas was almost identical to 2019 levels.

**Payment methods used**

6.6 Card payment has overtaken cash as the most popular payment method in Northern Ireland since the study was conducted in 2019. 56% and 55% of respondents to the main survey report mostly paying by debit card or contactless card payment respectively, compared to just 34% now using cash. Respondents in the booster areas also demonstrated a shift away from cash since the 2019 survey to debit card and contactless card payment, although the difference was not as stark as among main survey respondents. 40% and 46% now report using debit card or contactless card payment as their primary payment method day-to-day, although 46% still use cash.

**Figure 2: Q6 Day-to-day payment method by sample type**




6.7 However, some demographic groups remained much more reliant on cash than others. Over half (51%) of those aged 65 or over listed cash as their most used day-to-day payment method compared to 35% or lower for the other age categories. Likewise, low income households were much more likely to use cash than those in the other socioeconomic groups (46% of DEs compared to 37% of C2s and 26% of ABC1s). 49% of social tenancy households relied on cash, compared to 36% of private renters and 31% of homeowners, and 44% of households with a disabled person compared to 30% without.

**Figure 3: Q6 Day-to-day payment method (cash) by gender, age & SEG**

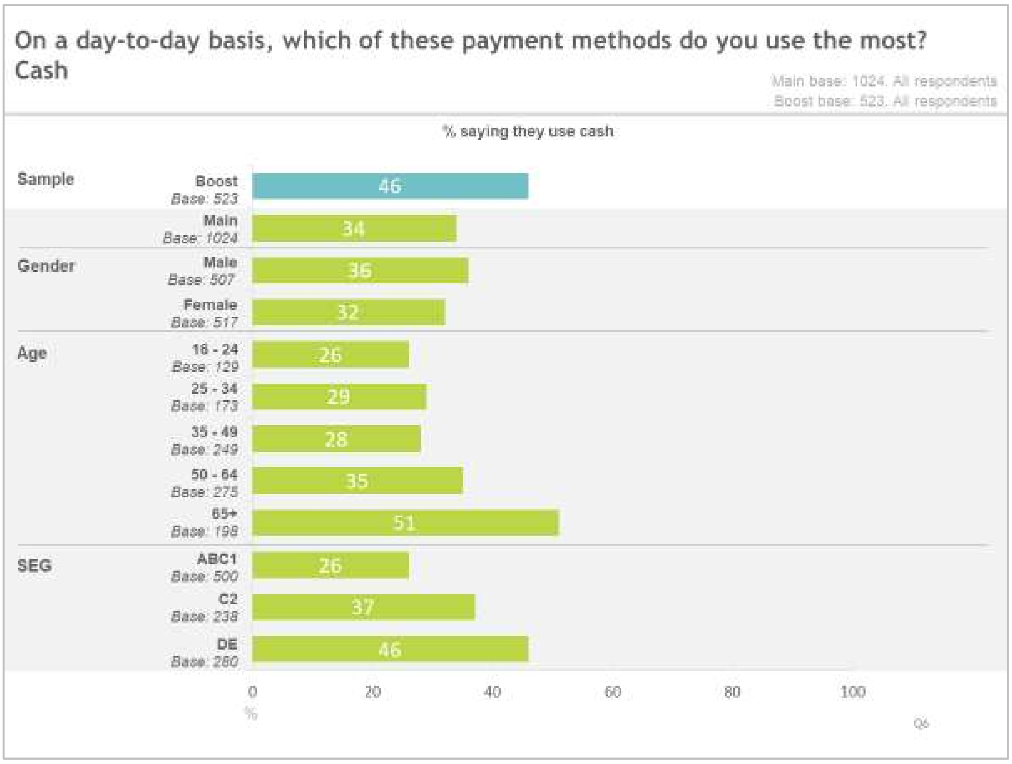
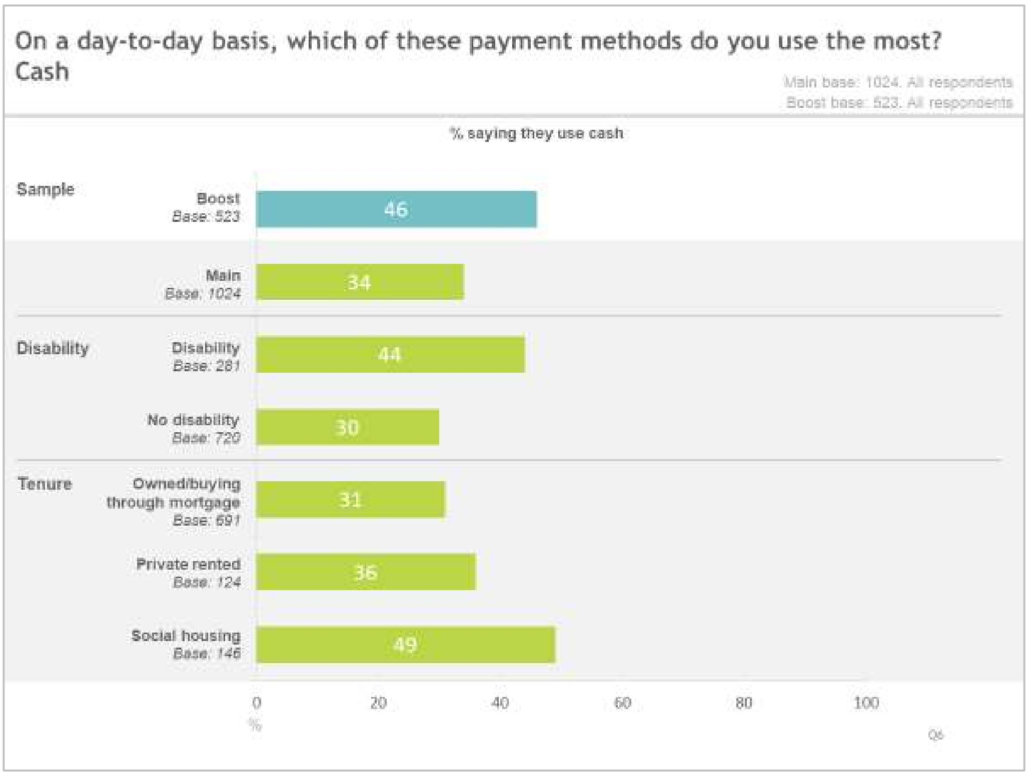



**Figure 4: Q6 Day-to-day payment method (cash) by disability status & housing tenure**



6.8 In 2019, 66% of respondents to the main survey and 77% of those in booster areas said cash was their most used payment method on a day-to-day basis. The fall to 34% and 46% respectively in the present study shows a significant change in consumer behaviour, and reflects the impact of COVID-19 advice to consumers to avoid using cash where possible over concerns about physical notes spreading the virus.

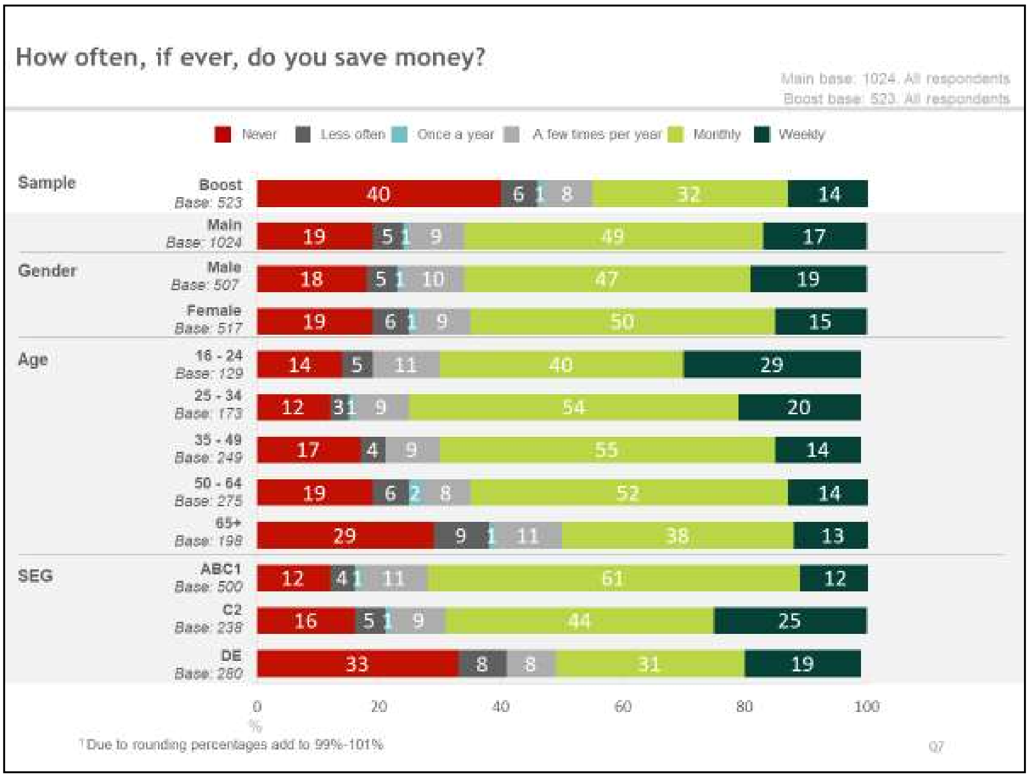
6.9 Alongside an increase in debit card and contactless card payment use, there was also an increase in the use of other low or no contact payment methods, such as by payment app (4% compared to 9% for the main survey; 4% compared to 10% for the boost) and online banking (11% compared to 17% for the main survey; 7% compared to 11% for the boost).

**Savings**

**Frequency of Saving**

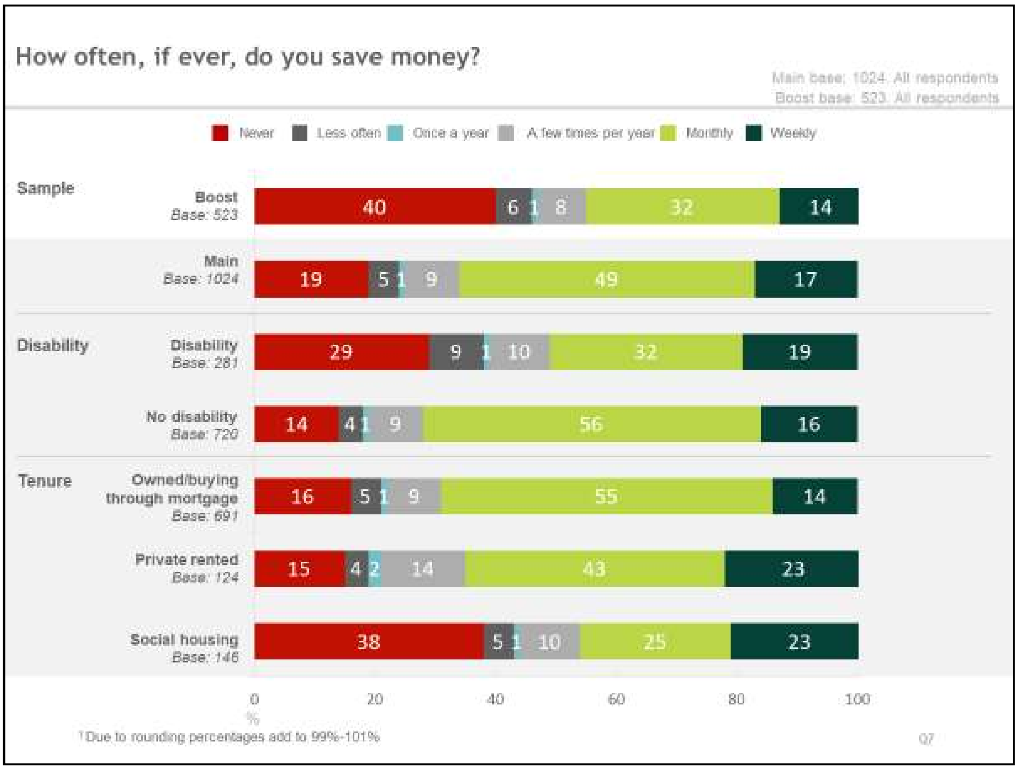
6.10 Respondents were asked how often they saved, if at all. Two thirds (66%) of respondents to the main survey said they saved weekly or monthly while 19% did not save at all. This is compared to 46% and 40% respectively of those in the booster areas. Those aged 65 and over were the least likely of any age group to save regularly with just over half (51%) doing so, compared to 66% and upwards for the other age brackets. Those in low income households were less likely to save regularly than those in the other socioeconomic groups (50% of DEs compared to 69% of C2s and 73% of ABC1s).

**Figure 5: Q7 Frequency of saving by gender, age & SEG**




6.11 Households with a disabled person were much less likely to save regularly than those without (51% compared to 72%). Similarly, under half (48%) of social housing residents save regularly compared to 66% of private renters, and 69% of those who own their home or are buying though a mortgage. The figure fell to 33% of social housing respondents in the booster areas. Around two thirds of both urban and rural respondents saved weekly or monthly.

**Figure 6: Q7 Frequency of saving by disability status & housing tenure**



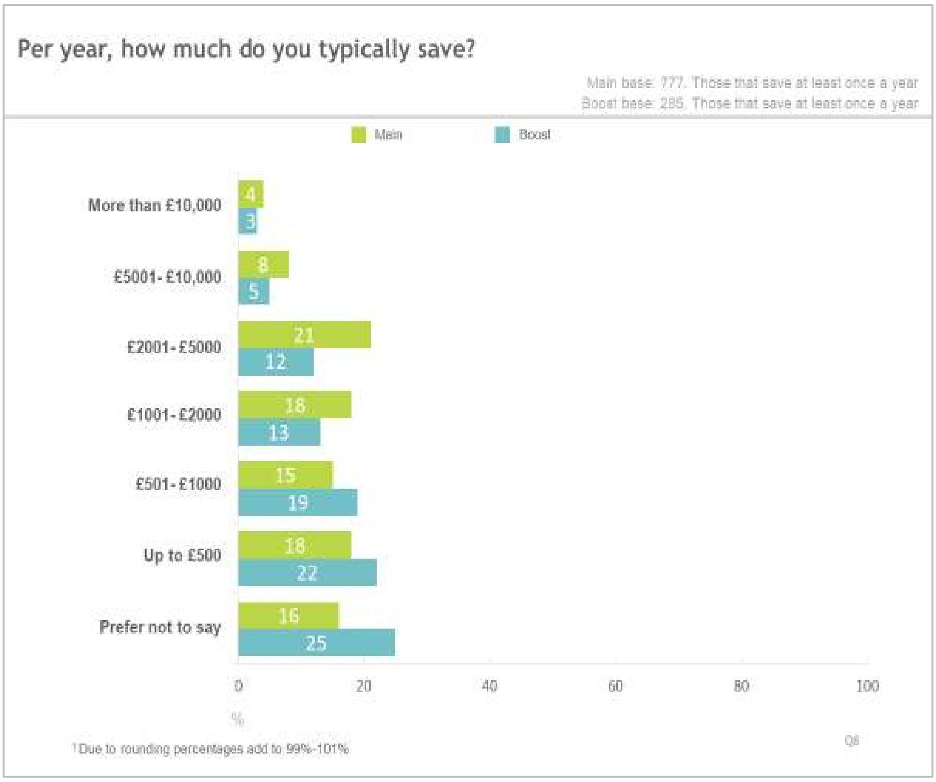

6.12 In 2019, respondents were less likely to be regular savers (54% saved weekly or monthly compared to 66% in the present research), however a similar number did not save at all (20% compared to 19% in 2020). The pattern was repeated in the booster areas, with a higher percentage saving regularly in 2020 (36% compared to 46%) while a similar number do not save at all (38% compared to 40% this year). The number of regular savers in social housing remained fairly consistent between the two studies (43% and 28% of responses to the main and booster surveys in 2019 respectively, compared to 48% and 33% in the 2020 research).

**Amount Saved Annually**

6.13 Of respondents to the main survey who saved at least once per year, the reported amounts saved annually were distributed across the savings brackets. 16% of respondents declined to give a response. Just under a fifth (18%) saved ‘Up to £500’ per year, 15% saved £501 to £1,000, 18% saved £1,001 to £2,000, and 21% saved £2,001 to £5,000 per year, while the remainder saved higher amounts.

6.14 A quarter (25%) of annual savers in the booster areas preferred not to specify an amount. Those who did were more likely to save an amount in the lower bands than the general population. 22% saved ‘Up to £500’ per year, 19% saved £501 to £1,000, 13% saved £1,001 to £2,000, and 12% saved £2,001 to £5,000. The remainder saved a greater amount.

**Figure 7: Q8 Annual quantity of saving by sample type**



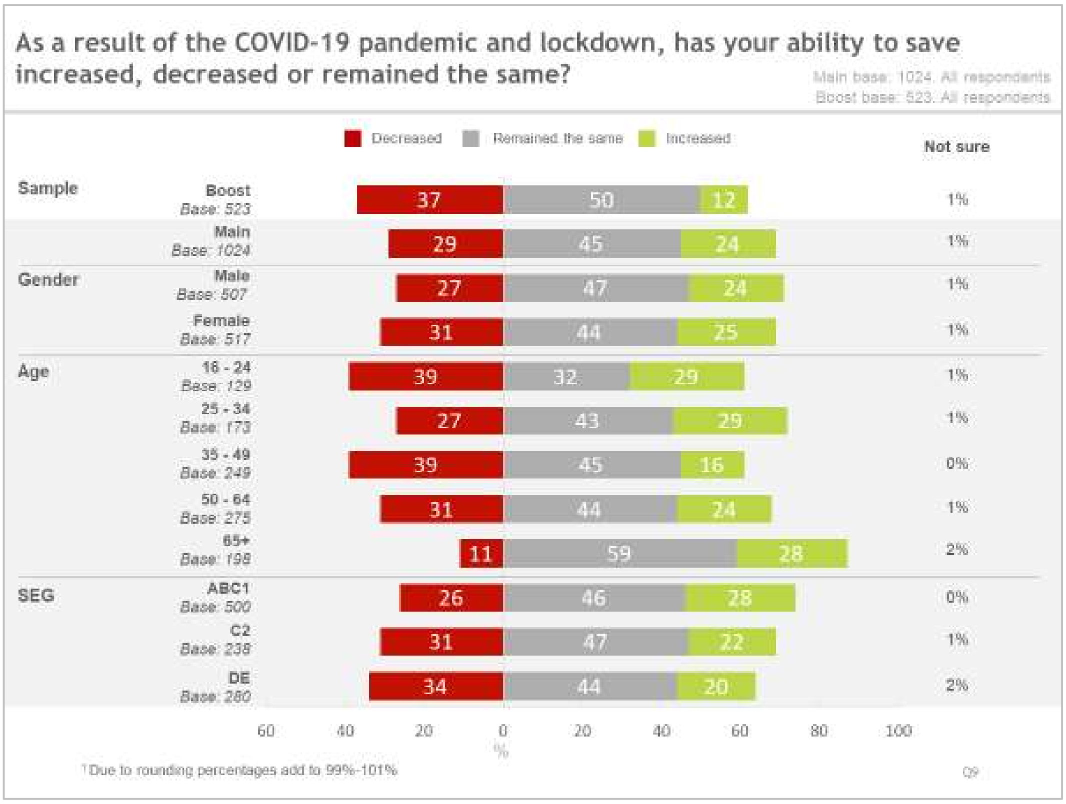

**Impact of the COVID-19 pandemic on ability to save**

6.15 For almost a quarter (24%) of respondents to the main survey, the COVID-19 pandemic and lockdown had increased their ability to save, for 29% their ability to save had decreased and for 45% it had remained the same. The COVID-19 pandemic and lockdown has had a greater negative impact on the saving ability of those in the booster areas. Only 12% had seen an increase in their ability to save, while 37% said their ability to save had decreased. For half (50%) their ability to save had not changed.

6.16 Those in the 16 to 24 and 35 to 49 age groups were more likely than the other age groups to have had their saving ability negatively impacted by the pandemic with 39% in each saying their ability to save had decreased. This compared to 27% of 25 to 34s, 31% of 50 to 64s, and 11% of those aged 65 and over.

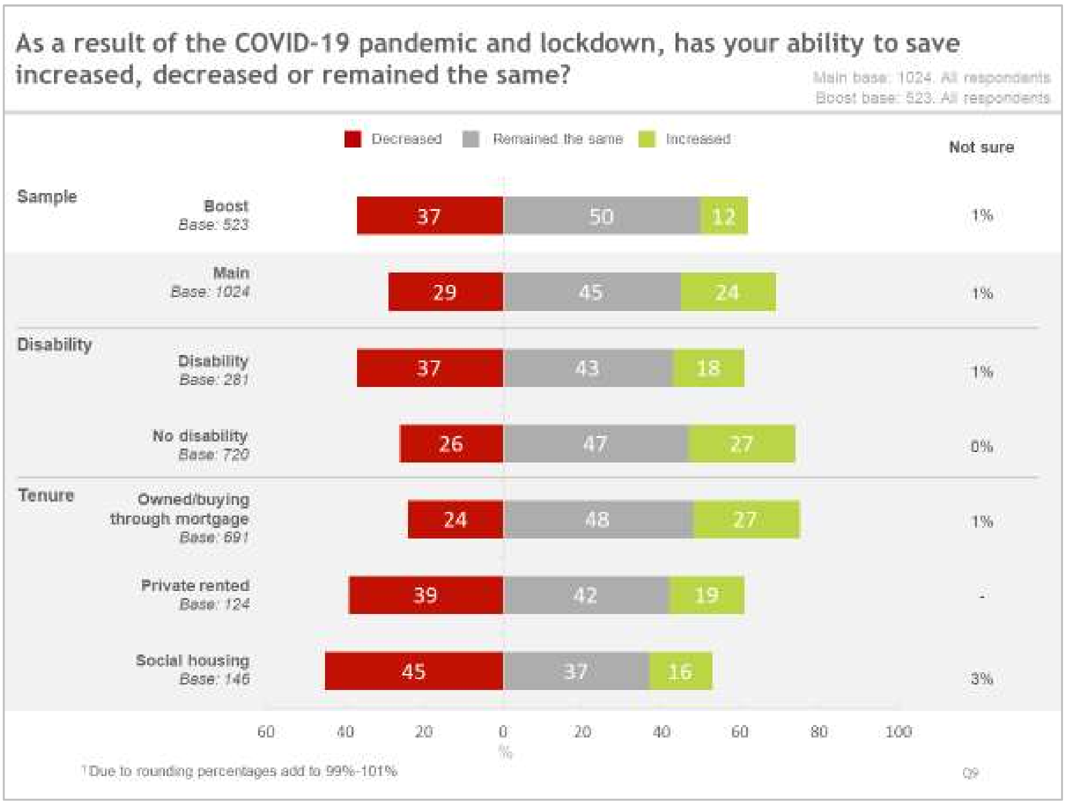
6.17 Those in low income households were also more negatively affected than those in the other socioeconomic groupings, although the disparity was less stark than across age groups. Just over a third (34%) of DEs said their ability to save had been reduced by the pandemic, compared to 31% of C2s and 26% of ABC1s giving the same response.

**Figure 8: Q9 Impact of COVID-19 pandemic on saving by gender, age & SEG**




6.18 As with previous measures, we again see a more negative impact on those households with a disabled person than those without (37% seeing a decrease compared to 26%). There was also a more negative impact on those in private rented and social housing accommodation than those who own their home or are buying through a mortgage (39% and 45% seeing a decrease respectively compared to 24% of the latter). The impact on respondents in urban and rural areas was almost identical.

**Figure 9: Q9 Impact of COVID-19 pandemic on saving by disability status & housing tenure**




6.19 Savers in the present study appear more likely than in 2019 to be saving amounts in the higher brackets. However, it should be noted that 44% of respondents to the previous survey did not disclose their annual savings compared to 16% in the recent research, which may account for this disparity.

6.20 In 2019, 25% saved 'Up to £500' compared to 18% in the present study, 13% saved £501 to £1,000 compared to 15%, 9% saved £1,001 to £2,000 compared to 18%, and 8% saved £2,001 to £5,000 compared to 21%.

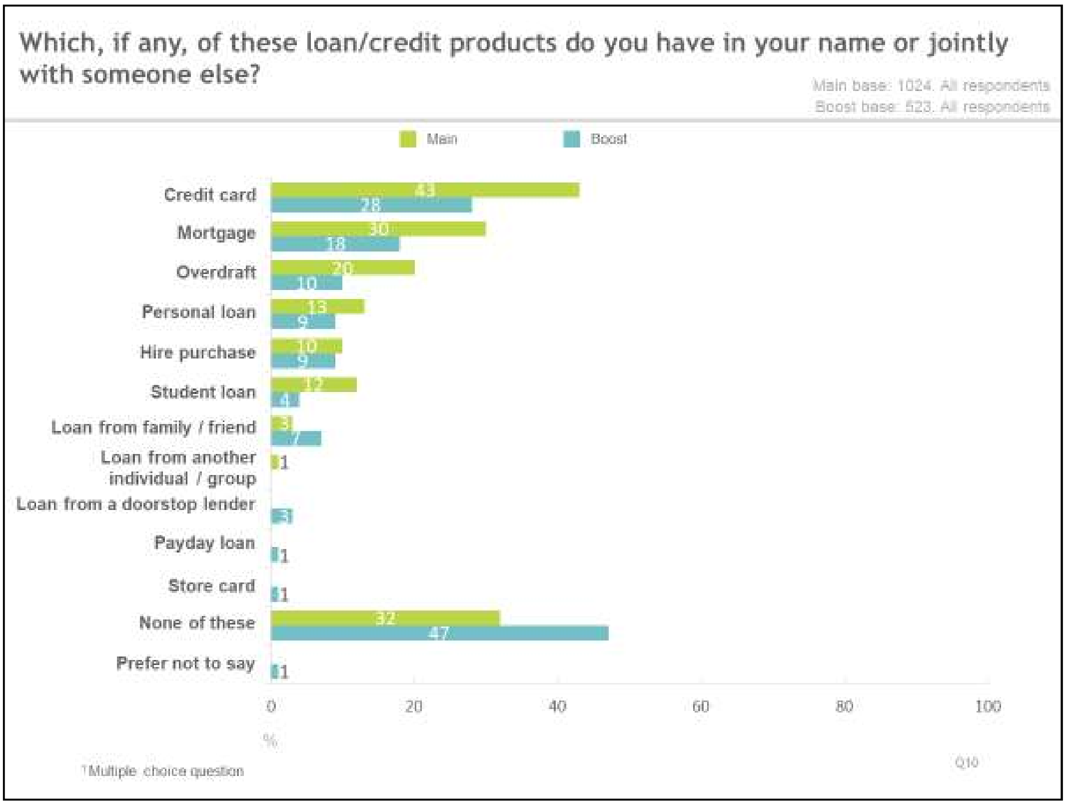
6.21 Respondents to the main survey who already saved weekly or monthly were also more likely than those who saved less often to report the COVID-19 pandemic as having a positive impact on their ability to save. 24% of weekly savers and 32% of monthly savers responded in this way, compared to 15% and 11% of those who saved a few times per year or once per year respectively. This finding may be reflected in the higher reported savings overall.

## Lending Arrangements

### Loan and credit products held

6.22 43% of respondents to the main survey have a credit card, 30% have a mortgage, 20% have an overdraft, 13% have a personal loan and 10% have a hire purchase agreement. In comparison, 28% of respondents in the booster areas have a credit card, 18% have a mortgage, 10% have an overdraft, 9% have a personal loan and 9% have a hire purchase agreement.

**Figure 10: Q10 Loan/credit products held by sample type**




6.23 Those in the 16 to 24 and 65 and over age groups in the main survey were much less likely than respondents in the other age groups to hold these products. For example, 18% of 16 to 24s and 35% of 65 and overs had a credit card, compared to at least 48% of each of the other categories. 16% and 4% of 16 to 24s and 65 and overs respectively had an overdraft, compared to 21% and upwards for the other age categories.

6.24 Those in low income households were also much less likely to have a credit card or an overdraft than the other socioeconomic groups. 25% and 8% of DEs had access to a credit card or overdraft respectively, compared to 41% and 16% of C2s and 55% and 28% of ABC1s.

6.25 Almost half (47%) of households without a disabled person held a credit card compared to 36% of those households with a disabled resident; the figures were 22% and 15% respectively for had an overdraft.

6.26 Only 16% of respondents in social housing had a credit card compared to 35% of those in private rented accommodation, and 51% of those who owned their home or were buying through a mortgage. The figures for an overdraft were 10%, 25% and 21% respectively. Social housing respondents in the booster areas returned similar figures to those in the main survey; 17% and 11% held a credit card and overdraft respectively. Respondents to the main survey living in urban and rural areas returned similar figures for holding a credit card and overdraft.

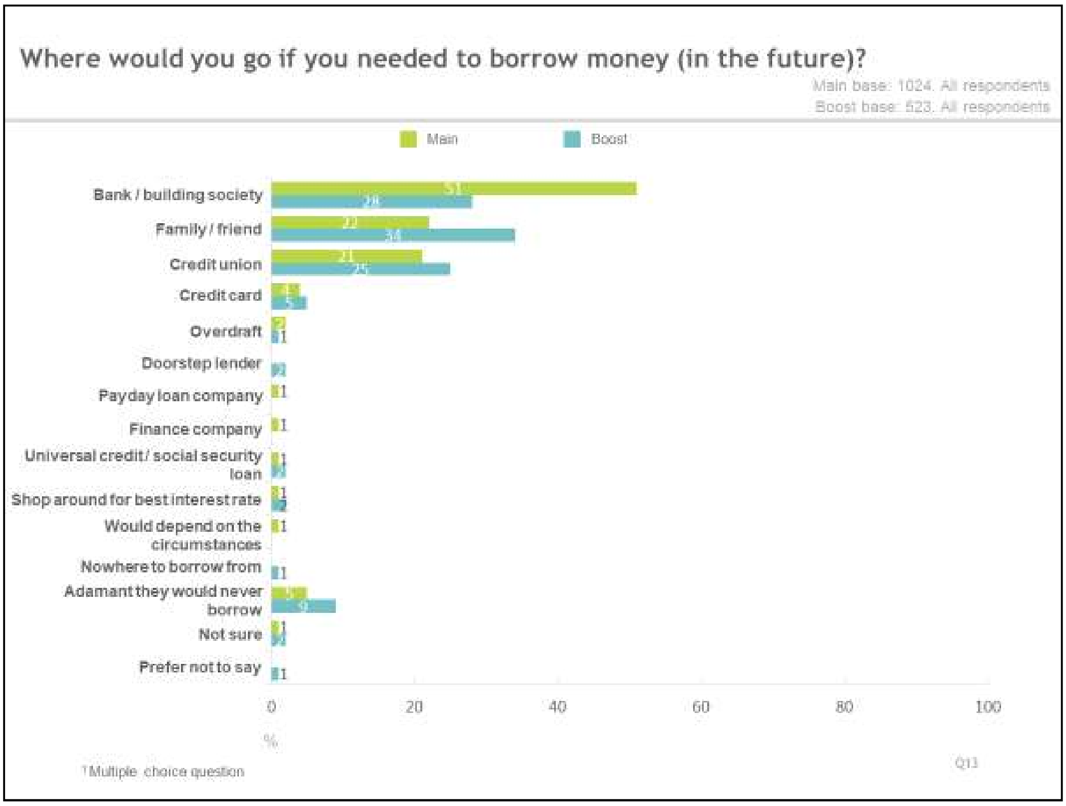
6.27 Just under a third (32%) of respondents to the main survey said they did not have any of the credit products listed. This rose to 47% of respondents in the booster areas. 62% of social housing respondents to the main survey did not hold any loan or credit products, the figure was 58% for social housing tenants in the booster areas.

**Lenders considered**

6.28 Respondents were asked where they would go if they needed to borrow money in the future. Over half (51%) of respondents to the main survey said they would go to a bank or building society, this was followed by family member or friend at 22% and credit union at 21%.

6.29 For respondents in the booster areas, a family member or friend was instead the most popular choice at 34%, followed by bank/building society at 28% and credit union at 25%. Less than 1% of respondents to the main survey would consider a doorstep lender, rising to 2% of those in the booster areas.

**Figure 11: Q13 Lender considered for future borrowing by sample type**

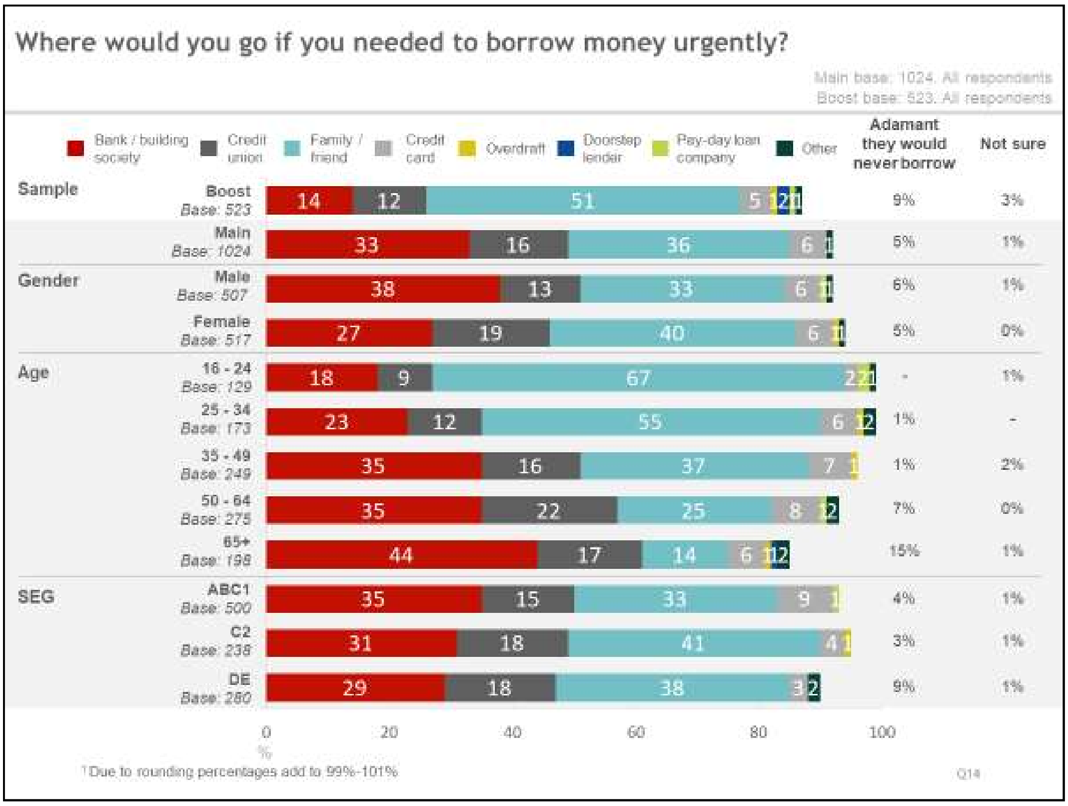



6.30 While the percentage of respondents to the main survey saying they would seek help from a bank/building society or a credit union has remained fairly consistent since 2019, the proportion saying they would approach a family member or friend has decreased from 38% then to 22% in the present research. The same pattern is observed in relation to respondents in the booster areas, with the figure approaching friends or family falling from 48% in 2019 to 34% in the present research. This trend may indicate that the usual informal support networks that individuals rely on have been negatively impacted by the pandemic, through restrictions on social contact and widespread financial pressures.

**Lenders considered for an urgent loan**

6.31 About one third of respondents to the main survey said they would go to either a friend or family member (36%) or bank/building society (33%) for an urgent loan, while 16% would approach a credit union. Respondents in the booster areas were much more likely to choose a friend or family member for an urgent loan (51%) over a bank/building society (14%) or credit union (12%).

**Figure 12: Q14 Lenders considered for an urgent loan by gender, age & SEG**




6.32 Respondents to the main survey were less likely to depend on a family member or friend for an urgent loan than in 2019 (down from 49% to 36%), while the proportion approaching a bank/building society or credit union remained consistent.

6.33 In the booster areas, the proportion saying they would go to a friend or family member also decreased, but less starkly, from 56% to 51%, while at the same time the figure who would approach a bank/building society also fell from 20% to 14%. However, there was an increase in booster areas in the proportion who would approach a doorstep lender (2% up from 1% in 2019) and a number specified that they would apply for a crisis loan from Universal Credit or another social security fund (1% in both the main survey and booster areas).

**Lenders used most recent and typical amounts borrowed**

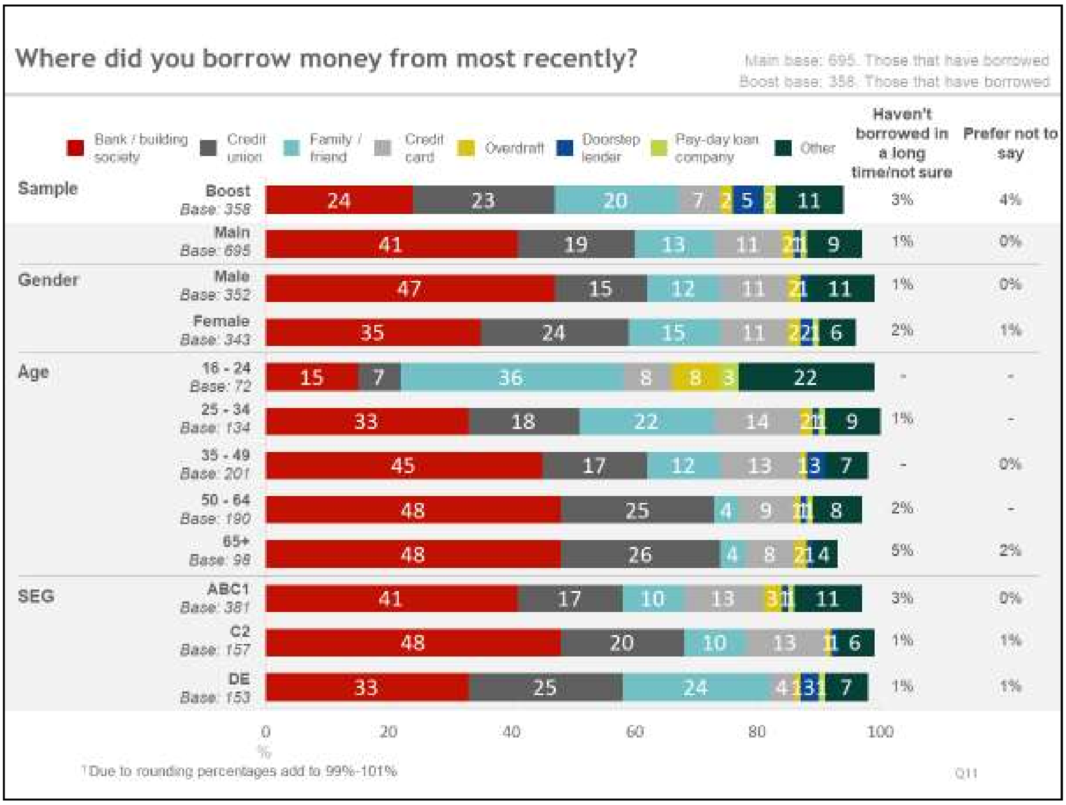
6.34 Respondents were asked who they had most recently borrowed from. Of respondents to the main survey who had borrowed money in the past, 43% said they had most recently borrowed from a bank or building society/overdraft, 19% from a credit union, 13% from a family member or friend and 11% from a credit card. Respondents in the booster areas were less likely to report having most recently borrowed from a bank or building society/overdraft, at 26%. A much higher percentage had instead most recently borrowed from a friend or family member

(20%). 23% had most recently borrowed from a credit union and 7% using a credit card.

6.35 Those in low income households were less likely than respondents from other socioeconomic groups to have most recently borrowed from a bank or building society (33% of DEs compared to 41% and 48% of ABC1s and C2s respectively), however the percentage in this demographic having most recently borrowed from a family member or friend was more than double that of the other groupings (24% compared to 10% for both ABC1s and C2s).

6.36 Only 17% of social housing respondents to the main survey answered bank or building society compared to 48% of home owners and 32% in the private rented sector, however 31% gave a response of family member or friend with 8% of home owners and 22% of private renters doing so. The percentage answering bank or building society fell to 12% of social housing respondents in the booster areas, with 32% having most recently borrowed from a friend or family member.

**Figure 13: Q11b Lender used most recently by gender, age, and SEG**




6.37 While main survey responses were similar for bank or building society/overdraft borrowing (41% in 2019 and 43% in 2020), the proportion who had most recently borrowed from a friend or family member had considerably reduced (from 23% in

2019 to 13% in the present research). Respondents were instead more likely to have most recently borrowed from the credit union (up from 13% to 19%).

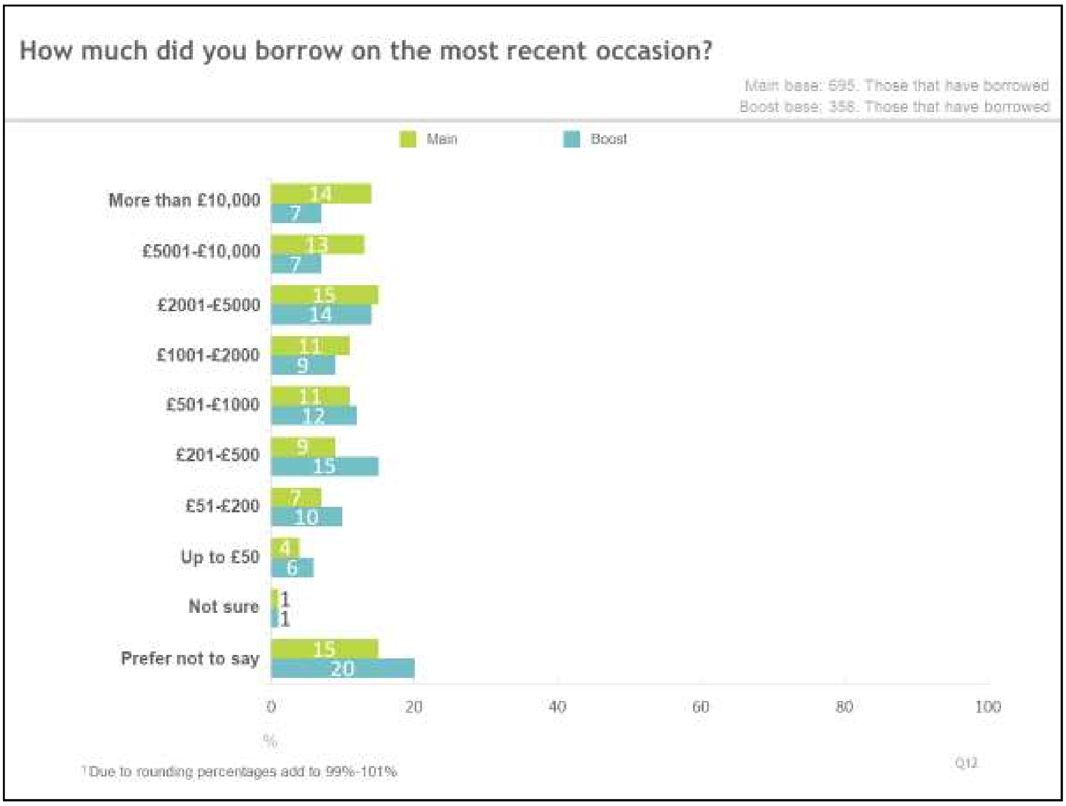
6.38 In relation to the booster areas, the proportion who had most recently borrowed from a bank or building society/overdraft decreased slightly from 2019, from 28% to 26%. This was repeated for family/friend borrowing (down from 27% in 2019 to 20% in the present research), while the response for the credit union remained consistent. Instead, borrowers in the booster areas were more likely to give a response of doorstep lender than in 2019 (5% compared to 1% previously). 4% specified that they had applied for crisis loans from Universal Credit and other social security funds.

6.39 15% of main survey respondents did not give an amount when asked how much they had borrowed on the most recent occasion. A fifth (20%) had borrowed £500 or less, 22% had borrowed £501 to £2,000, 15% had borrowed £2,001 to £5,000, 13% between £5,001 and £10,000, and 14% more than £10,000.

6.40 A fifth (20%) of respondents in the booster areas did not specify an amount, however those who did were more like to select an amount at the lower end of the scale than borrowers in the main survey. 31% had borrowed £500 or less, 21% had borrowed £501 to £2,000, 14% had borrowed £2,001 to £5,000, 7% between £5,001 and £10,000, and 7% more than £10,000.

6.41 Respondents in vulnerable categories tended to have borrowed smaller amounts. 29% of respondents in low income households had borrowed up to £500, compared to 19% of ABC1s and 14% of C2s. Likewise, 47% of social housing respondents had borrowed up to the £500 threshold, compared to 31% of private renters and 13% of home owners. Over a quarter (26%) of households with a disabled person gave an answer in this range, compared to less than a fifth (19%) of those without.

**Figure 14: Q12 Quantity borrowed on most recent occasion by sample type**




6.42 As with earlier questions, respondents were much more likely to specify an amount over the phone than in the previous face-to-face research. Only 15% of main survey respondents and 20% of respondents in the booster areas preferred not to give an answer, compared to 53% and 47% last year.

6.43 Once again, it appears that those with higher levels of borrowing were more likely to disclose this information, possibly due to the anonymity of the phone methodology. 15% had borrowed £2,001 to £5,000 compared to 7% previously, 13% between £5,001 and £10,000 compared to 4% in 2019, and 14% more than £10,000 compared to 3% the previous survey. This pattern was repeated for the booster areas. 14% had borrowed £2,001 to £5,000 up from 4% previously, 7% between £5,001 and £10,000 compared to 2%, and 7% more than £10,000 compared to 2% in 2019.

**Borrowing due to COVID-19 pandemic and typical amounts borrowed**

6.44 When questioned about borrowing due to the COVID-19 pandemic:

- Of respondents to the main survey who had borrowed money 15% reported as a result of the COVID–19 pandemic, having to borrow money that they would not have had to borrow otherwise;

- This rose to 27% of borrowers in the booster areas;

- Of main survey respondents, young people were much more likely to have had to borrow due to the pandemic than those in other age groups (33% of 16 to 24s);

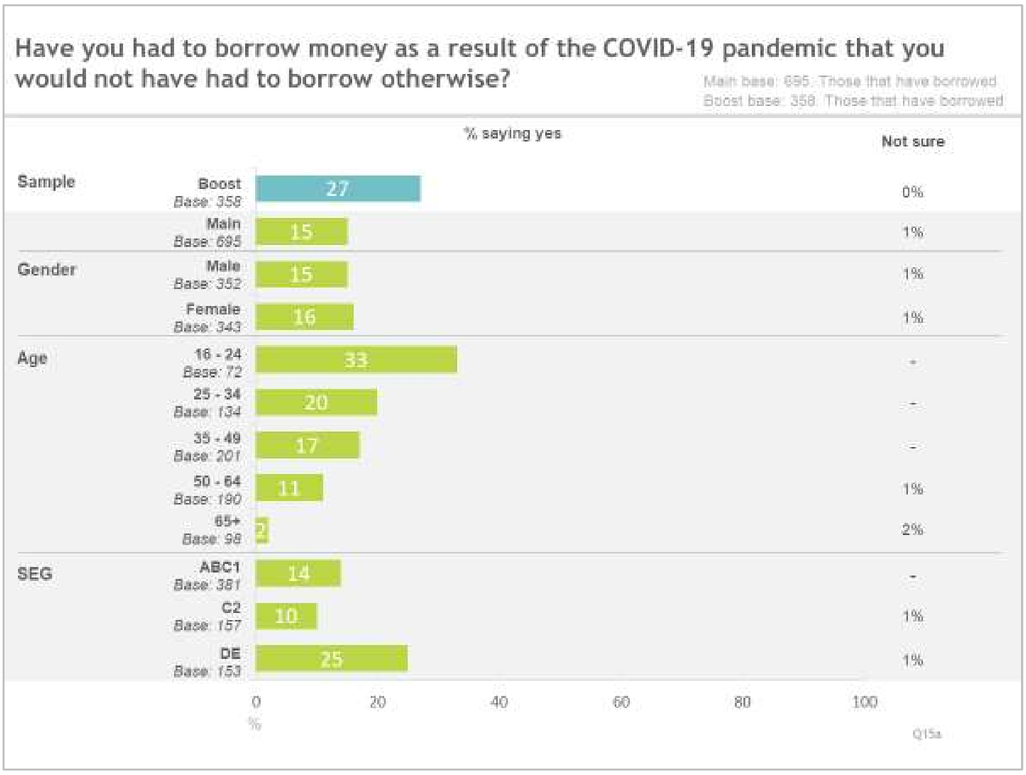
- Those in low income households were much more likely to have had to borrow due to the pandemic compared to the other socioeconomic groups (25% of DEs) and those in social housing compared to the other tenure types (36% of social housing respondents). These groups are also more likely to rely on informal lending options such as friends and family, and less likely to approach formal institutions such as banks;

- Over half (55%) of those who had borrowed due to the pandemic had done so from a friend or family member, rising to 72% in the booster areas. 17% had borrowed from a bank or building society, falling to just 6% in the booster areas;

- Respondents in the booster areas were more likely to depend on crisis loans from Universal Credit or other social security funds (7%); and

- While 43% and 51% had borrowed £500 or less in the main and booster areas respectively, 7% and 3% had borrowed more than £10,000.

**Figure 15: Q15a Borrowing due to COVID-19 pandemic by gender, age & SEG**



**Illegal Lending**

**Awareness of illegal lending within local area**

6.45 Respondents to both the main and booster surveys reported awareness of illegal lending in their local area in similar numbers (21% and 20% for the main and booster respectively). In the main survey, this rose to (31%) of respondents in low income households, compared to 17% of ABC1s and 15% of C2s.

6.46 Households with a disabled person were also more likely to report awareness than those without (28% compared to 17%). Once again, there was disparity between social housing respondents and those in the other housing tenures (32% compared to 19% of homeowners and 15% of private renters). The figure was lower in the booster areas with 23% of social housing respondents giving this response. A quarter (25%) of main survey respondents in urban areas reported awareness, dropping to 13% of those in rural settings.

**Figure 16: Q16 Awareness of illegal lenders within local area by gender, age & SEG**

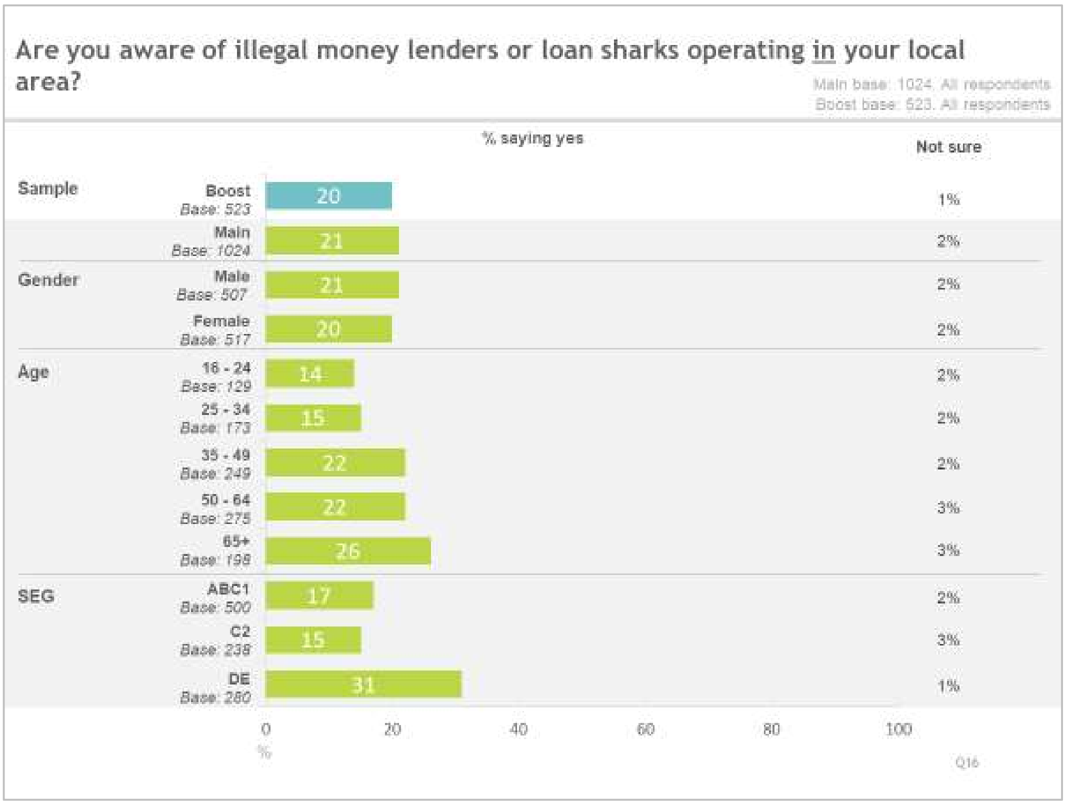
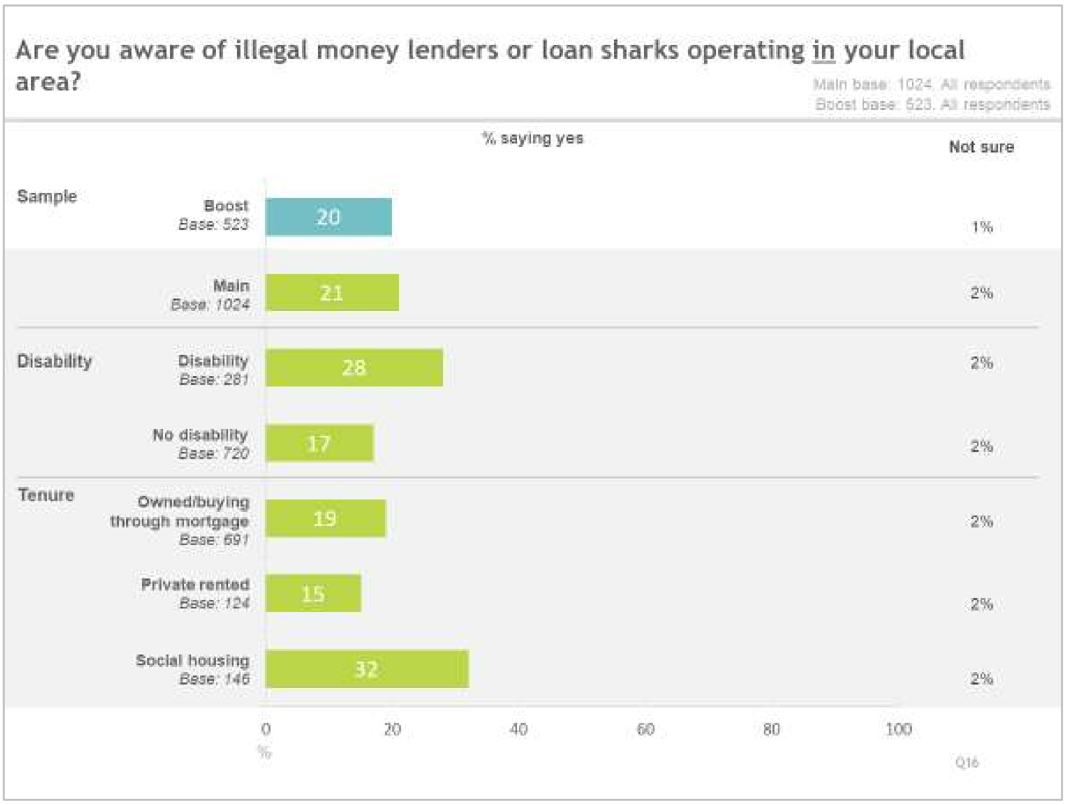


**Figure 17: Q16 Awareness of illegal lenders within local area by disability status & housing tenure**




**Awareness of illegal lending outside local area**

6.47 Two fifths (40%) of respondents to the main survey were aware of illegal money lending outside their local area. This dropped to a quarter (25%) of respondents in the booster areas. Again, awareness was highest among the lowest income households to the main survey (49% of DEs, compared to 38% of ABC1s and 34% of C2s).

6.48 There were similar disparities in awareness between households with a disabled person and those without (47% and 36% respectively), housing tenures (48% of social housing respondents compared to 40% of home owners and 35% of private renters), and urban/rural setting (44% compared to 33% respectively). A quarter of social housing respondents in the booster areas reported awareness.

6.49 There was a considerable reduction since 2019 in the proportion of respondents reporting awareness of illegal lending, both within their local area and elsewhere in Northern Ireland. For main survey respondents, awareness fell from 35% and 50% within and outside their local area respectively, to 21% and 40% in the recent research. There was a similar decrease in the booster areas in relation to awareness within the local area; from 36% in 2019 to 20% this year. However, the drop in awareness was starker in relation to awareness of illegal lending elsewhere in Northern Ireland; down from over half (55%) to a quarter (25%).

6.50 This reduced awareness could be due to a number of factors. It is suggested that it may be attributed to the impact of limitations placed on social interaction by COVID-19 restrictions. At the same time that opportunities for informal communication about such practices outside of the home have reduced, COVID-19 has also become the dominate top-of-mind issue. And as people travel and move beyond their immediate area less, they may feel less connected to or aware of what is happening elsewhere in Northern Ireland. Given the openness of respondents in answering sensitive questions via telephone elsewhere in the study, the fall in awareness is less likely to be connected to the change in methodology.

**Incidence of using illegal lender or loan shark**

6.51 Survey respondents were asked if they had ever borrowed money from an illegal money lender or loan shark. 2% of respondents to the main survey said they had done so. This figure doubled to 4% of respondents in the booster areas.

6.52 In the main survey, low income households were more likely to have used an illegal lender than those in the other socioeconomic groups (5% of DEs compared to 1% of ABC1s and less than 1% of C2s), as were households with a disabled person (3%) compared to those without (2%), and those in social housing (11%) compared to private renters (2%) or home owners (1%). The figure was 6% among social housing respondents to the booster survey. Of main survey respondents, those in urban areas were also more likely to have borrowed from an illegal lender than rural respondents (3% compared to 1% respectively).

6.53 Of the 22 respondents to the main survey who had borrowed from an illegal lender, nine had borrowed £500 or less, eight had borrowed between £501 and £2,000 and one had borrowed between £2,001 and £5,000. No respondents reported having borrowed above this threshold, although four declined to give an amount.

6.54 The response was similar for those in the booster areas who had used an illegal lender; eight had borrowed £500 or less, six had borrowed between £501 and £2,000, and three had borrowed between £2,001 and £5,000. Again, none reported having borrowed amounts above this, however two did not specify how much they had borrowed.

**Table 2: Q18 Have you ever borrowed money from an illegal money lender or loan shark?**

| VARIABLE | | Yes |
|---|---|---|
| SAMPLE | Boost *Base: 523* | 4% |
| | Main *Base:1024* | 2% |
| GENDER | Male *Base:507* | 2% |
| | Female *Base:517* | 3% |
| AGE | 16 – 24 *Base:129* | - |
| | 25 – 34 *Base:173* | 3% |
| | 35 – 49 *Base:249* | 4% |
| | 50 – 64 *Base:275* | 2% |
| | 65 and over *Base:198* | 1% |
| SEG | ABC1 *Base:500* | 1% |
| | C2 *Base:238* | 0% |
| | DE *Base:280* | 5% |
| DISABILITY | Disability *Base:281* | 3% |
| | No disability *Base:720* | 2% |
| HOUSING TENURE | Owned/ buying through a mortgage *Base: 691* | 1% |
| | Private rented *Base:124* | 2% |
| | Social housing *Base:146* | 11% |
| LOCATION | Urban *Base:658* | 3% |
| | Rural *Base:366* | 1% |
| | Greater Belfast *Base:434* | 2% |
| | Rest of NI *Base:590* | 2% |

6.55 The majority described their experience as negative:

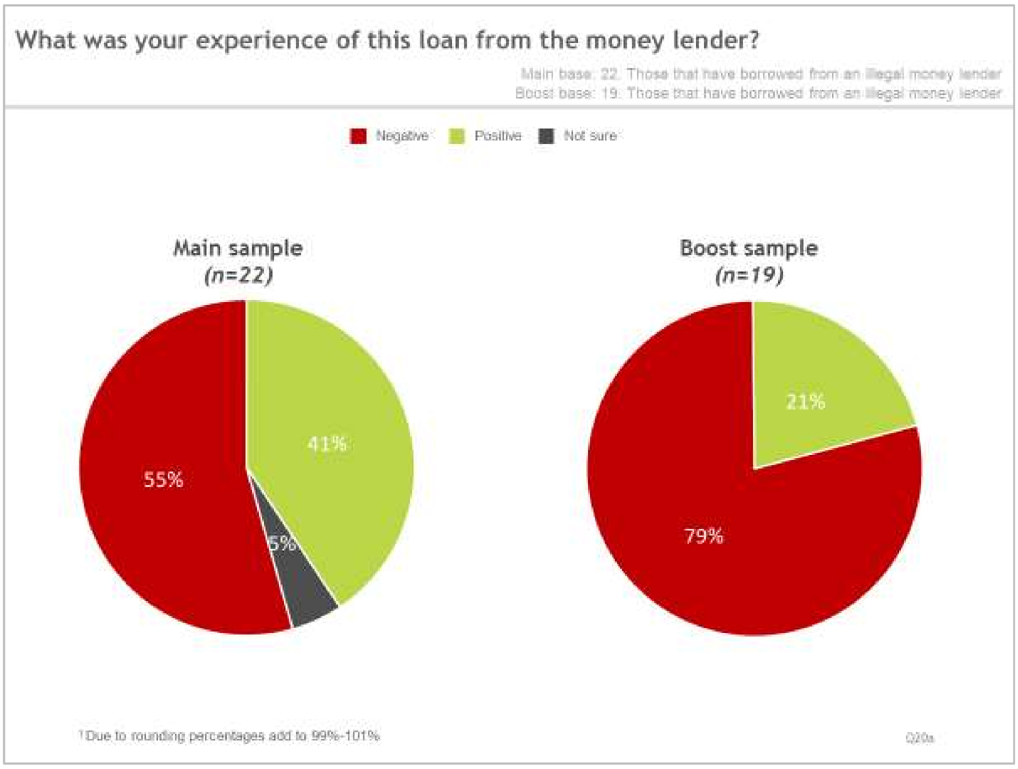
*'I didn't like it at all. I was under pressure to have the payments.'*

*'They made it so easy to borrow money, but they want repayments almost straight away. And the interest amounted to paying back almost £6000 from a £2000 loan.'*

*'The charges kept mounting up, it was a nightmare.'*

*'If you miss a payment, it just keeps going up. If you miss you are threatened.'*

**Figure 18: Q20a Experience with loan shark by sample type**



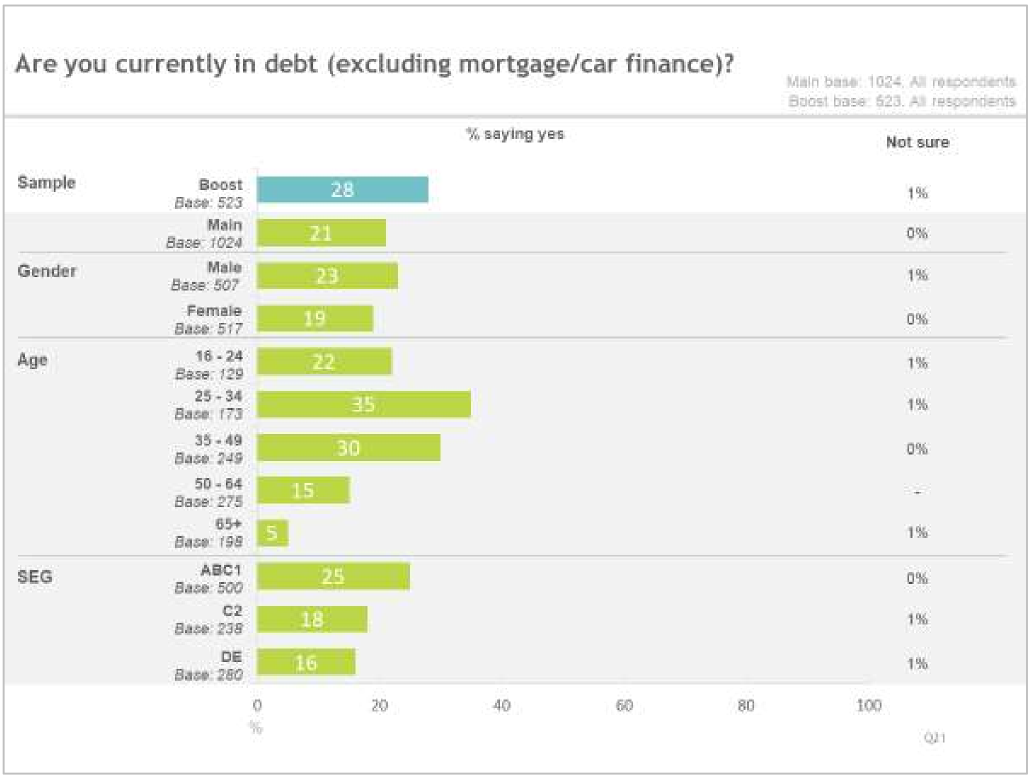

6.56 The proportion of respondents using an illegal money lender increased slightly from 2019, up from 1% to 2% for main survey respondents and from 3% to 4% in the booster areas. Most notably, the percentage of social tenancy households in the main survey having borrowed from a loan shark rose from 2% in 2019 to 11% in the present survey. Given the openness shown by respondents in answering other sensitive questions in the survey via telephone, it is suggested that the increase may be due to the greater anonymity provided by telephone over a face-to-face methodology. However, the findings suggest that loan sharks are targeting their practices towards residents in social housing. This demographic group may be less likely to approach a formal institution such as a bank/building society and may feel that they have limited options for borrowing as outlined in paragraph 6.26 those in social housing are less likely than the less likely than the overall population to currently have a flexible form of credit such as a credit card (16%) or overdraft (10%).

**Debt Levels and Management**

**Incidence of debt and current debt levels**

6.57 Respondents were asked if they are currently in debt, excluding a mortgage or car finance. Over a fifth (21%) of respondents to the main survey and 28% of respondents in the booster areas said that they were. Those aged 25 to 34 in the main survey were more likely to be in debt than any other age group (35%), as were those in more affluent households compared to other socioeconomic groupings (25% of ABC1s compared to 18% of C2s and 16% of DEs). The vulnerable consumer categories were no more likely to report being in debt than those outside these groupings.

**Figure 19: Q21 Incidence of debt by gender, age & SEG**

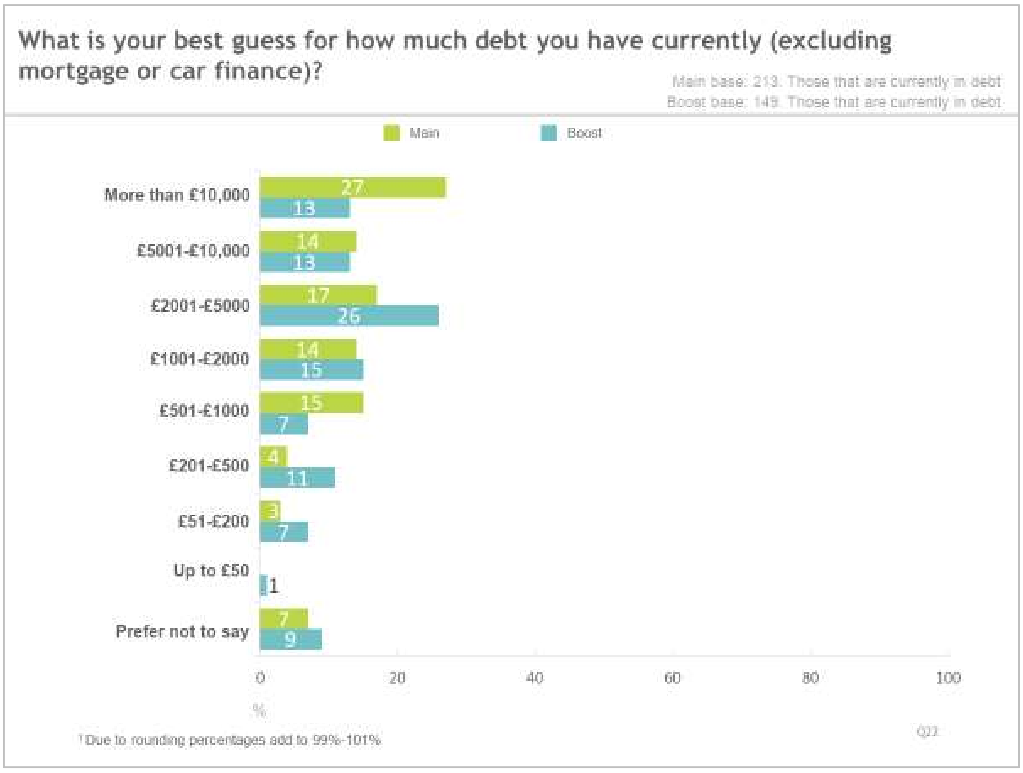



6.58 The percentage of survey respondents reporting current debt (21% for main and 28% for booster) and has increased since 2019 when the figure stood at 11% for both respectively. The percentage reporting debt has increased substantially within the 16 to 24 age group, from 14% in 2019 to 22% in the present research. This may indicate that the pandemic is having a greater negative impact on the youngest age group, and is supported by the earlier finding that young people were much more likely to have had to borrow due to the pandemic than any other age group. The increase was also marked for those in social housing (10% in 2019 to 23% in the present research).

6.59 Respondents who have debt were asked to estimate their total amount of current debt. 7% had £500 or less, 29% had between £501 and £2,000, 31% had between £2,001 and £5,000, 14% between £5,001 and £10,000, and 27% had more than £10,000. 7% did not specify an amount.

6.60 Those with current debt in the booster areas were more likely than main survey respondents to report amounts at the lower end of the scale; 19% had £500 or less, 22% had between £501 and £2,000, 26% between £2,001 and £5,000, 13% between £5,001 and £10,000, and 13% had more than £10,000. 9% did not disclose an amount.

**Figure 20: Q22 Debt amount by sample type**




6.61 Respondents to the present survey were more likely to report levels of debt at the higher end of the scale than in 2019. For example, 8% of respondents to the main survey in 2019 reported having between £5,001 and £10,000 of debt compared to 14% this year, and only 5% had more than £10,000 compared to 27% in the recent research. Likewise, for the booster areas, 4% reported having between £5,001 and £10,000, and more than £10,000 respectively, compared to 13% for each value in the 2020 research.

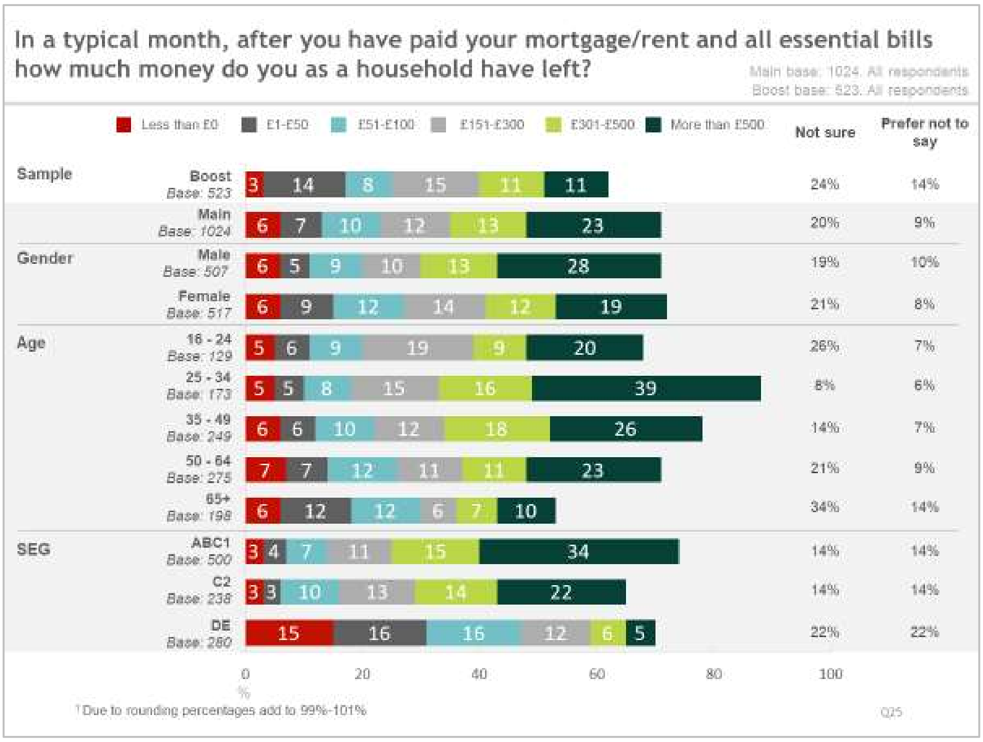
6.62 It should be noted, however, that in 2019 over a third of respondents preferred not to give an amount (36% and 38% for the main Northern Ireland population and booster areas respectively); this proportion was much smaller in 2020 (at 7% and 9%). Therefore, rather than indicating that respondents are in more debt than in 2019, this finding may indicate instead that individuals with higher debt levels are more likely to disclose this information when contacted by phone rather than face-to-face, given the greater anonymity this methodology provides.

**Remaining household income after monthly bills**

6.63 Respondents were asked how much money they had left at the end of the month after paying their mortgage or rent and all essential bills. While 6% of the main survey reported having nothing left, this figure rose to 15% of those in socioeconomic group DE, 17% of those in social housing and 12% of households with a disabled person. 13% of respondents to the main survey said they had £50 or less at the end of the month, rising to 17% of those in the booster areas.

6.64 About a fifth (23%) of respondents to the main survey said they had more than £500 left, reducing to 11% of those in the booster areas. A third (33%) and a quarter (25%) of social tenancy households in the main and booster surveys respectively had up to £50 left over. 9% and 14% of respondents to the main and booster surveys respectively declined to specify an amount.

**Figure 21: Q25 Remaining household income after monthly bills by gender, age & SEG**

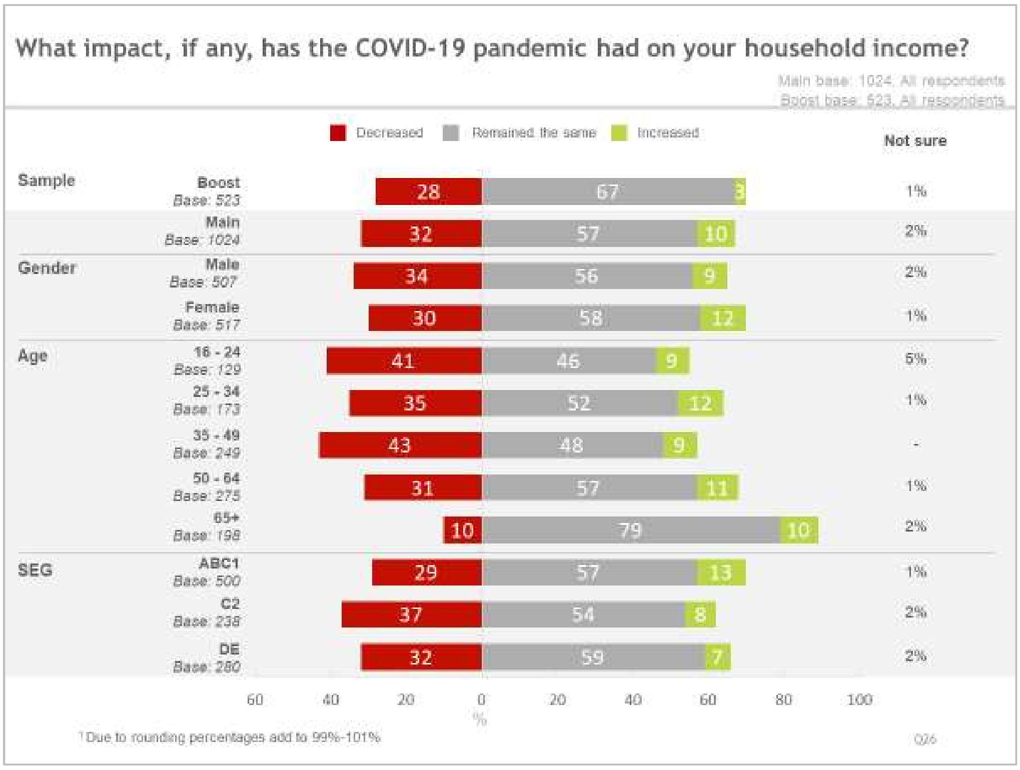



## Impact of COVID-19 pandemic on household income

6.65 For 10% of respondents to the main survey, household income had increased as a result of the COVID-19 pandemic, while for 32% it had decreased and for 57% it had remained the same. Only 3% of households in the booster areas had seen an increase in their household income, a similar proportion to the main survey had experienced a decrease (28%), while for two thirds (67%), household income had remained steady.

6.66 Those aged 65 and over were the least likely age group to have experienced a decrease at 10%, rising to 41% and 43% for those in the 16 to 24 and 35 to 49 age groups respectively. 45% of main survey respondents in social tenancy households had seen a decrease in income, compared to 30% of homeowners and 32% of private renters.

**Figure 22: Q26 Impact of COVID-19 on household income by age, gender & SEG**




### Outcomes of those currently experiencing debt

6.67 Respondents to the main survey who are currently in debt were also more likely to have £0 or minus funds remaining at the end of the month (9%), compared to those who were not in debt (5%), and almost half (48%) had experienced a decrease in household income due to the pandemic compared to 28% of those not currently in debt. The findings were similar for those in the booster areas. 6% of those in debt had £0 or less remaining at the end of the month compared to 2% of those who were not. And the proportions seeing a decrease in household income were 41% and 22% respectively.

### Knowledge of financial matters, borrowing money and interest rates on loans

6.68 82% of respondents to the main survey felt knowledgeable about savings and financial matters, falling to 68% of those in the booster areas (in 2019 it was 73% and 66% respectively). Of main survey respondents, those in the youngest age group (16 to 24) were the least likely of any age category to say they are knowledgeable at 70% (57% in 2019).

6.69 Those in low income households were the least likely of the socioeconomic groups to say they are knowledge (75% of DEs, compared to 81% of C2s and 86% of ABC1s). The difference was also marked between social housing tenants and other tenure types (67% were knowledgeable, compared to 78% of private renters and 86% of homeowners). Only 59% of social tenancy households in the booster areas said they were knowledgeable. The response was almost identical for urban and rural dwellers.

6.70 Respondents were also asked if they felt knowledgeable about borrowing money. 71% of main survey respondents said that they did, falling to 65% of those in the booster areas (similarly in 2019 it was 71% and 63%). Again, the disparities between socioeconomic groups and tenure types in the main survey were considerable. 58% of DEs felt knowledgeable compared to 72% of C2s and 78% of ABC1s respectively (a similar pattern was seen in 2019, DEs 56%, C2s 69% and ABC1s 82%); and 53% of social housing tenants answered similarly compared to three quarters (75%) of homeowners and 73% of private renters.

6.71 It was those in the 65 and over category that reported the lowest levels of knowledge of any age group in respect of borrowing at 54%, a decrease from 69% in 2019 when it was the younger age group, 16-24s, who reported the lowest knowledge levels (53%). As before, there was little difference in the response of urban and rural respondents.

6.72 In relation to interest rates on loans and fees or charges, 70% of respondents to the main survey felt knowledgeable in this area, compared to 61% in the booster areas (compared to 66% and 56% respectively in 2019). 16 to 24-year olds and those aged 65 and over reported similar levels of knowledge in this area (56% and 57% respectively), markedly lower than the other age groups.

6.73 The outcomes for low income and social tenancy households were again lower than in comparable demographic groups. 59% of DEs reported feeling knowledgeable compared to 78% of ABC1s and 66% of C2s. Fewer than half of social housing respondents (47%) felt knowledgeable in this area compared to 75% of homeowners and 72% of private renters. The disparity was also stark between those households with a disabled person and those without (58% felt knowledgeable compared to 75% respectively).

6.74 Overall, 38% of respondents to the main survey would welcome further information and education on safe borrowing, although this fell to 28% of respondents in the booster areas. The most popular format for receiving this information among both groups was via a dedicated consumer website, with around a third choosing this option for both groups.

## 7. CONCLUSION

7.1 It is clear that the COVID-19 pandemic has had a mixed impact on the finances of the Northern Ireland population. For 29%, their ability to save decreased as a result of the pandemic, and almost a third (32%) had experienced a decrease in their household income. However, for almost a quarter (24%) the COVID-19 pandemic and lockdown had increased their ability to save and for 10% their household income had increased as a result of the COVID-19 pandemic. Of respondents to the main survey who had borrowed money, 15% had done so as a direct result of the COVID-19 pandemic.

7.2 While incidence of debt has increased since 2019 (up from 11% for both groups to 21% of main survey respondents and 28% of respondents in the booster areas), the outcome was especially poor for those in the 16 to 24 age group (increasing from 14% to 22% this year) and those in social housing (increasing from 10% to 23% in the present research). Young people and social tenancy households who had borrowed in the past were also much more likely to have had to borrow due to the pandemic than comparable demographic groups (33% and 36% respectively). A substantial percentage of both groups also reported a decrease in household income as a result of the pandemic (41% of 16 to 24-year olds and 45% of social tenancy households).

7.3 The negative impact of the pandemic on household finances is further demonstrated in the recent Financial Lives Survey (2020)[4] from the Financial Conduct Authority which showed that 43% of adults in Northern Ireland reported that their financial situation had been impacted by the COVID-19 pandemic.

7.4 In addition, the NISRA Coronavirus (COVID-19) Opinion Survey[5] found that before the COVID-19 outbreak, three quarters of people (75%) thought it was easy to pay their usual household bills. Just over one in five people (22%) reported it was neither easy nor difficult, whilst 3% thought it was difficult. Since the COVID-19 outbreak, perceptions around paying usual household bills have changed, with fewer people (63%) reporting it was easy to pay their usual household bills and more people (14%) stating it was difficult to do so.

7.5 While restrictions on social interaction and reduced travel due to the pandemic may have resulted in lower levels of awareness of illegal lending, both within and outside local areas, the proportion of respondents having used illegal lenders increased

[4] Financial Conduct Authority Financial Lives Survey - https://www.fca.org.uk/publication/research/financial-lives-survey-2020.pdf

[5] NISRA Coronavirus (COVID-19) Opinion Survey - https://www.nisra.gov.uk/publications/nisra-coronavirus-covid-19-opinion-survey

slightly from 2019 (from 1% to 2% for the main survey and 3% to 4% in the booster areas). Those in social tenancy households were more likely than any other group to have used an illegal lender, suggesting that loan sharks are targeting their practices towards residents in this tenure type.

7.6 There was a marked decrease from 2019 in the proportion of main and booster survey respondents considering a friend or family member for future borrowing or an urgent loan. This trend may indicate that the usual informal support networks that individuals rely on have been negatively impacted by the pandemic, through restrictions on social contact and widespread financial pressures. In this context, consumers may resort to riskier forms of borrowing, including high cost credit. This concern is reflected in the findings on recent borrowing in which borrowers in the booster areas were more likely to give a response of doorstep lender than in 2019 (5% compared to 1% previously). In addition, consumers may turn towards illegal lenders if they feel other options are closed to them, particularly in areas where the practice is more prevalent.

7.7 Those currently in debt were more likely, in their responses to other questions, to indicate financial insecurity, suggesting that some may struggle to repay debts in the current economic climate. They were more likely to have £0 or minus funds at the end of the month than those not in debt (9% compared to 5% for the general population, 6% compared to 2% in the booster areas). They were also much more likely to have experienced a decrease in household income due to the pandemic than those not in debt (48% compared to 28% for the main survey, 41% compared to 22% for the booster areas.)

7.8 However, 14% of all respondents to the main survey and 16% of all respondents in the booster areas did not know where to go for help if they were in debt, and only 10% and 14% respectively would seek help from a financial support body or charity. Despite this, the most popular format for receiving further information about this subject among both groups was via a dedicated consumer website.

## 8. NEXT STEPS

8.1 The research indicates that illegal money lending remains an issue in Northern Ireland, like other parts of the UK. While the results show that there appears to be reduction in awareness of illegal lending among Northern Ireland consumers this could be as a result of the current lockdown restrictions and focus of households on the current COVID-19 pandemic.

8.2 As we emerge out of lockdown and forbearance measures begin to end, many households may need additional support, especially those that have relied on savings throughout this time that are not being replenished. For those people who have no option to borrow money, we need to continue our work to establish viable alternative lending options.

8.3 Before lockdown measures came into force in March 2020, the Consumer Council launched its True Cost information campaign to raise awareness of help available for people whose financial situation is a constant worry, and to sign post people to alternative forms of credit. This consisted of a campaign website, a leaflet distributed to 58,000 homes and a social media campaign. In recognition of the impact that the COVID-19 pandemic was having on many households, the campaign ran again in later summer 2020, in partnership with Advice NI and Christians Against Poverty, when a leaflet was delivered to every household (over 800,000) in Northern Ireland accompanied by a nationwide social media campaign.

8.4 This research reinforces the importance and need for our work in this area to continue. We will deliver a targeted information campaign to reach those consumer groups that this research has identified as most likely to be impacted by the COVID-19 pandemic.

8.5 The research has highlighted that young people and social housing tenants have been especially negatively affected at this time. This emphasises the importance of raising awareness about the risks associated with illegal lenders as well as increased information sharing about legitimate sources of financial support amongst these two demographics. In addition, an emerging group from this research, who had high levels of awareness of illegal legal money lending, was households with a disabled person.

8.6 We will develop existing partnerships with representative in groups that have been identified as being at risk in the research. We will also establish new partnerships with disability representative organisations to understand the impact of illegal money lending and the COVID-19 pandemic within this demographic.

8.5 The Consumer Council has developed educational materials targeted at primary and post primary school children. Following the successful pilot, the Consumer Council will be developing these resources further with the aim of getting them embedded in schools throughout Northern Ireland. We are also working towards receiving an endorsement from the curriculum body in Northern Ireland, CCEA, so the materials will be available through its website for teachers to access. We will explore ways we can further target young people particularly those in the 16-24 age bracket.

8.6 In terms of social housing tenants, we continue to work closely with the Northern Ireland Housing Executive (NIHE) to raise awareness of the red flags associated with identifying if someone has borrowed from an illegal lender and the help that is available. We hope to develop that work, collaborating on tenant information resources, as well as looking to develop relationships further with other housing associations.

8.7 Lockdown restrictions have impacted on the amount of face to face consumer engagement that could be carried out as normal channels such as the Balmoral Show, our own Consumer Parliament and community presentations have been unavailable to us. Where possible, we have sought alternative ways to raise public awareness of the budgeting, help and advice available, and alternative sources of credit. This has included press releases, social media videos and animations, and developing online children's activities and presentations.

8.8 Moving forward we will seek to widen the support we provide to key consumer groups using a range of tools, guidance and training packages.

8.8 The findings of this research will also be used to inform our wider financial services policy work, particularly in the areas of access to cash, banking and alternative credit. This study furthers our understanding on the levels of financial resilience among Northern Ireland households and their ability to respond to financial shocks.

8.9 We will use this research to campaign and influence policy makers, such as government departments, regulators and other stakeholders, to secure positive policy changes on behalf of Northern Ireland consumers based on a more detailed understanding of their specific needs.

## APPENDIX A – QUESTIONNAIRE

# Consumer Council - Lendings, Savings and Debt Research

My name is ____________________from Perceptive Insight, an independent market research company. We are carrying out a study on behalf of The Consumer Council. The purpose of this research is to understand your thoughts and experiences as a Northern Ireland consumer about lending, savings and debt. This research was first carried out in 2019, and the Consumer Council is interested in how the Covid-19 pandemic has since impacted household incomes and finances. Your responses will help the Consumer Council to provide better advice and support to consumers.

Please be assured that your responses are entirely confidential and will only be used as part of a large Northern Ireland wide survey. No specific details will be attributed to you personally and we will not be asking for your specific financial account details.

All interviews are conducted in accordance with the requirements of the Market Research Society Code of Conduct, and all data collected and processed is held in compliance with the requirements of the General Data Protection Regulation 2018 (GDPR). Your call may be monitored for training and quality purposes.

If respondent requires further reassurance please refer them to https://www.consumercouncil.org.uk/researchnotice and offer to hold on while they check.

Unique id no (Record from sample)

[ ]

INTERVIEWER - PLEASE ASK RESPONDENT IF THEY AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT:
I confirm that I have been informed of the purposes of this research and that my participation is voluntary and I am aware that the Consumer Council and Perceptive Insight conform to the principles of the General Data Protection Regulation 2018.

- ○ Yes
- ○ No - CLOSE INTERVIEW

## Demographic information

Firstly I am going to ask a few questions about your background as we want to ensure that we speak to a wide range of people.

ASK ALL
A1 Are you...?

- ○ Male
- ○ Female

ASK ALL

A2 What age are you...?

- 16 - 24
- 25 - 34
- 35 - 49
- 50 - 64
- 65 and over

ASK ALL

A3 What is the occupation of the main income earner in your household?

PROMPT AS APPROPRIATE:

If manage or supervise staff - how many?

If retired - check if they have an occupational pension

If they have - base social class on occupation before retiring

If no work pension - record as state benefits only

A3b INTERVIEWER: Code socio-economic group from A3

- AB
- C1
- C2
- DE
- *Refused*
- *Office to code*

## Knowledge and information

I'm now going to ask you some general questions about your knowledge of lending, savings and debt issues.

ASK ALL

Q1 Do you feel knowledgeable about savings and financial matters?

- Yes
- No
- *Not sure*

ASK ALL

Q2 Do you feel knowledgeable about borrowing money?

- Yes
- No
- *Not sure*

ASK ALL

Q3 Do you feel knowledgeable about interest rates on loans and fees or charges?

- Yes
- No
- *Not sure*

ASK ALL

Q4 Would you welcome information and further education on the topic of safe borrowing?

- Yes
- No
- *Not sure*

IF WOULD WELCOME INFORMATION (If Q4=1)

Q5 In what format is this information best presented? *(select one only)*

- Online via dedicated consumer website
- Social media
- Email
- Leaflets
- Posters
- Talks/presentations
- Other

Other (please specify)

## Saving

I am now going to ask you a number of questions about spending and saving. Again, we will not ask you for personal account details.

ASK ALL

Q6 On a day-to-day basis, which of these payment methods do you use the most? *(select all that apply)*

- ☐ Cash
- ☐ Debit card
- ☐ Contactless debit card or credit card (under £45.00)
- ☐ Prepaid card
- ☐ Payment app on my mobile phone e.g Apple pay, PayPal
- ☐ Credit card
- ☐ Cheque
- ☐ Online banking
- ☐ Telephone banking
- ☐ Other
- ☐ *Not sure*

Other, please specify

ASK ALL

Q7 How often, if ever do you save money?

- Weekly
- Monthly
- A few times per year
- Once a year
- Less often
- Never

IF ANNUAL SAVER (If Q7=1-4)

Q8 Per year, how much do you typically save?

- Up to £500
- £501 – £1000
- £1001 - £2000
- £2001 - £5000
- £5001 - £10000
- More than £10000
- *Prefer not to say*

ASK ALL

Q9 As a result of the Covid-19 pandemic and lockdown, has your ability to save increased, decreased or remained the same?

- Increased
- Decreased
- Remained the same
- *Not sure*

## Loans and lending

I am now going to ask you about loan products and borrowing. This section of the survey will provide the Consumer Council with an overall picture of financial pressures experienced by the Northern Ireland population.

ASK ALL

Q10 Which, if any, of these loan/credit products do you have in your name or jointly with someone else? *(Read out and select all that apply)*

- Credit card
- Mortgage
- Overdraft
- Student loan
- Personal loan
- Pay-day loan e.g. Amigo, Quick-quid
- Loan from family/friend
- Loan from another individual/group
- Loan from a doorstep lender
- Hire purchase
- Other
- None of these

Other, please specify

ASK ALL

Q11a Other than for a mortgage, where have you borrowed money from in the past? *(select all that apply)*

PROBE IF SELECTED CREDIT CARD AT Q10: You said previously that you have a credit card. If you use this card and don't pay it off in full each month, this would be considered borrowing for this question.

- ☐ Bank/Building society
- ☐ Credit union
- ☐ Family/friend
- ☐ Credit card
- ☐ Overdraft
- ☐ Doorstep lender
- ☐ Pay-day loan company e.g. Amigo, Quick-quid
- ☐ Other
- ☐ Have not borrowed money in the past

Other, please specify

IF EVER BORROWED PREVIOUSLY (If Q11a = 1-8)

Q11b Where did you borrow money from most recently? *(select one only)*

- ○ Bank/Building society
- ○ Credit union
- ○ Family/friend
- ○ Credit card
- ○ Overdraft
- ○ Doorstep lender
- ○ Pay-day loan company e.g. Amigo, Quick-quid
- ○ Other

Other, please specify

IF EVER BORROWED PREVIOUSLY (If Q11a = 1-8)

Q12 How much did you borrow on the most recent occasion?

- ○ Up to £50
- ○ £51 - £200
- ○ £201 - £500
- ○ £501 – £1000
- ○ £1001 - £2000
- ○ £2001 - £5000
- ○ £5001 - £10000
- ○ More than £10000
- ○ *Prefer not to say*

ASK ALL
Q13 Where would you go if you needed to borrow money (in the future)? *(select all that apply)*
DO NOT PROMPT - PROBE TO PRECODES

- [ ] Bank/Building society
- [ ] Credit union
- [ ] Family/friend
- [ ] Credit card
- [ ] Overdraft
- [ ] Doorstep lender
- [ ] Pay-day loan company e.g. Amigo, Quick-quid
- [ ] Other
- [ ] *Adamant that they would never borrow money*

Other, please specify

ASK ALL
Q14 Where would you go if you needed to borrow money urgently? *(select one only)*
DO NOT PROMPT - PROBE TO PRECODES

- ○ Bank/Building society
- ○ Credit union
- ○ Family/friend
- ○ Credit card
- ○ Overdraft
- ○ Doorstep lender
- ○ Pay-day loan company e.g. Amigo, Quick-quid
- ○ Other
- ○ *Adamant that they would never borrow money*

Other, please specify

IF EVER BORROWED PREVIOUSLY (If Q11a = 1-8)
Q15a Have you had to borrow money as a result of the Covid-19 pandemic that you would not have had to borrow otherwise?

- ○ Yes
- ○ No
- ○ *Not sure*

Q15b Where did you borrow this money from? *(select all that apply)*

- [ ] Bank/Building society
- [ ] Credit union
- [ ] Family/friend
- [ ] Credit card
- [ ] Overdraft
- [ ] Doorstep lender
- [ ] Pay-day loan company e.g. Amigo, Quick-quid
- [ ] Other

Other, please specify

IF BORROWED AS A RESULT OF THE PANDEMIC (If Q15a=1)
Q15c How much did you borrow?

- Up to £50
- £51 - £200
- £201 - £500
- £501 – £1000
- £1001 - £2000
- £2001 - £5000
- £5001 - £10000
- More than £10000
- *Prefer not to say*

ASK ALL
Q16 Are you aware of illegal money lenders or loan sharks operating in your local area?

- Yes
- No
- *Not sure*

ASK ALL
Q17 Are you aware of illegal money lenders or loan sharks operating outside your local area in Northern Ireland?

- Yes
- No
- *Not sure*

ASK ALL
Q18 Have you ever borrowed money from an illegal money lender or loan shark?

- Yes
- No
- *Not sure*

IF BORROWED FROM LOAN SHARK (If Q18=1)
Q19 How much did you borrow from the illegal money lender or loan shark?
IF BORROWED ON MORE THAN ONE OCCASION PLEASE STATE SUM ON MOST RECENT OCCASION

- Up to £50
- £51 - £200
- £201 - £500
- £501 – £1000
- £1001 - £2000
- £2001 - £5000
- £5001 - £10000
- More than £10000
- *Prefer not to say*

IF BORROWED FROM LOAN SHARK (If Q18=1)
Q20a What was your experience of this loan from the money lender?

- Positive
- Negative
- *Not sure*

IF NEGATIVE EXPERIENCE (If Q20a=2)
Q20b Please outline your experience below:

## Debt

We are now going to ask you some questions about household income and debt. We'd like to remind you that your responses are completely confidential and you will not be identified in the research findings.

ASK ALL
Q21 Are you currently in debt (excluding mortgage/car finance)?

- Yes
- No
- *Not sure*

IF IN DEBT (If Q21=1)
Q22 What is your best guess for how much debt you have currently (excluding mortgage or car finance)?

- Up to £50
- £51 - £200
- £201 - £500
- £501 – £1000
- £1001 - £2000
- £2001 - £5000
- £5001 - £10000
- More than £10000
- *Prefer not to say*

IF NOT CURRENTLY IN DEBT (If Q21=2)
Q23 Have you ever been in debt in the past?

- Yes
- No
- *Not sure*

IF PREVIOUSLY BEEN IN DEBT (If Q23=1)
Q24 At its height, what is your best guess for how much debt you had?

- Up to £50
- £51 - £200
- £201 - £500
- £501 – £1000
- £1001 - £2000
- £2001 - £5000
- £5001 - £10000
- More than £10000
- *Prefer not to say*

ASK ALL
Q25 In a typical month, after you have paid your mortgage/rent and all essential bills how much money do you as a household have left? *(select one only)*

- Less than £0 (minus funds)
- £1-£50
- £51-£150
- £151-£300
- £301-£500
- More than £500
- *Not sure*
- *Prefer not to say*

ASK ALL
Q26 What impact, if any, has the Covid-19 pandemic had on your household income? Has it...?

- Increased
- Decreased
- Remained the same
- *Prefer not to say*

ASK ALL

Q27 Where would you go for help if you were in debt? *(select all that apply)*

PROBE: Where else would you go for help?

- ☐ Financial advisor
- ☐ Financial support body/charity e.g. Money Advice Service, Christians Against Poverty
- ☐ Online advice forum e.g. Money Saving Expert
- ☐ Bank/Building society
- ☐ Credit union
- ☐ Family/friend
- ☐ Credit card/overdraft
- ☐ Doorstep lender
- ☐ Pay-day loan company e.g. Amigo, Quick-quid
- ☐ Other
- ☐ *Not sure*

Other, please specify

## Financial products

I am now going to ask you a couple of questions about banking. Responding to these questions is optional.

ASK ALL

Q28 Which, if any, of the following financial products do you have (either on your own or jointly with someone else)? *(select all that apply)*

- ☐ Current account (bank or building society)
- ☐ Savings account (bank or building society)
- ☐ Credit Union account
- ☐ Other
- ☐ None of these
- ☐ *Prefer not to say*

Other, please specify

ASK ALL

Q29 Which bank/building society do you do most of your banking with? *(select one only)*

- ○ Bank of Ireland
- ○ Barclays
- ○ Danske Bank
- ○ First Trust Bank
- ○ Nationwide
- ○ Post Office
- ○ Santander
- ○ Ulster Bank
- ○ Other
- ○ I do not use a bank
- ○ *Not sure*
- ○ *Prefer not to say*

Other, please specify

ASK ALL

Q30 As a Northern Ireland consumer, is there anything further you wish to add on the topic of lending, savings and debt?

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