



National Traveller

mabs

Money Advice & Budgeting Service

*National Traveller MABS; working for the
financial inclusion of Travellers*

Pre-budget submission for budget 2022

Introduction

National Traveller MABS works to reduce poverty, discrimination and the financial exclusion of Travellers in Ireland. We work with the Traveller community and other organisations to change policy and practice which impacts Travellers financially. National Traveller MABS is funded and supported by the Citizens Information Board.

We aim to:

- Help MABS and Citizens Information Services in being more accessible to Travellers.
- Work on the issues that cause Travellers to be financially excluded.
- Work with other groups to improve the financial situation of Travellers.
- Our work involves helping Travellers access MABS and Citizens Information services, community education, research, and policy development.

During 2020 and 2021, COVID 19 has had a huge impact on Traveller families. The accommodation situation for many Traveller families pre-COVID was already at crisis levels. COVID 19 exacerbated these issues. Overcrowding on many halting sites and group housing schemes created problems for families particularly where there was a need to self-isolate. Additional expenses for sanitation, costs associated with children not being in school, as well as the need for access to digital technology for children to get access to basic lessons during this period added to the strain on families' already stretched household budget. Food was a particular issue with many local organisations organising food parcels to make sure families could manage to feed themselves. During this period, financial pressures have negatively impacted on Travellers' mental health.

National Traveller MABS is working with local and national Traveller organisations and the Citizens Information Board to respond to these issues. We are working on a number of priority issues that contribute to the financial exclusion of Travellers and the high rates of poverty and social exclusion experienced by Travellers.

National Traveller MABS policy priorities

National Traveller MABS has three priority policy areas, these are financial exclusion, Traveller accommodation and energy poverty.

Addressing financial exclusion

National Traveller MABS alongside MABS nationally works to address financial exclusion; the former, through community education, development and social policy, the latter through service delivery, development, community education and social policy. Most recently, National Traveller MABS has conducted a review of policies, services, facilities and schemes with the potential to help the financial inclusion of Travellers. MABS in conjunction with CIB has contributed to the Joint

Committee on Finance, Public Expenditure and Reform, and Taoiseach's detailed scrutiny of the Consumer Credit (Amendment) Bill 2018.¹

During the course of this year, there have been a number of significant developments that have the potential to add to the already high levels of credit exclusion amongst Travellers, including the departure from the market of Provident money lender. This brings into focus the need to look again at how to provide accessible affordable credit to people in poverty and on low income. It should be noted that the high cost of credit among licenced moneylenders means that, often the poorest in our society pay the highest charges on borrowings.

Access to affordable culturally appropriate accommodation

Travellers are Ireland's only indigenous ethnic minority. Access to culturally appropriate accommodation is a human right for Travellers. National Traveller MABS welcomes the work this year in the development of the Pilot Preferential Caravan Loan Scheme for Travellers. This scheme has the potential to provide access to credit for families to buy a trailer. However, many families that we work with are on very low incomes and a rental scheme is a more suitable mechanism for the provision of culturally affordable accommodation.

Eliminating energy poverty amongst Travellers living in Traveller specific accommodation

National Traveller MABS is concerned with the issue of energy poverty amongst Travellers living in Traveller specific accommodation. Our study into energy poverty amongst Travellers living in mobile homes found that Travellers living in mobile homes spend on average €108 per week, a quarter of their income on energy compared to a 4% spend amongst the general population. Access to residential standard mobile homes through caravan loan/caravan rental schemes as well as retrofitting of day units on halting sites and Traveller specific group housing schemes should be prioritised under the State's retrofitting programmes.

¹ https://www.mabs.ie/downloads/reports_submissions/20201124_MABS_Submission_to_JOC_Finance.pdf

National Traveller MABS recommendations for Budget 2022

Recommendation	Department
Financial Inclusion	
<p>1. <i>Financial inclusion strategy</i> Develop a new national financial inclusion strategy that builds on the National Financial Inclusion Strategy</p>	DoF
<p>2. <i>Banking inclusion</i> Review the operation of 'Basic Bank Accounts' to ensure these are accessible and useable by marginalised groups including Travellers</p>	DoF
<p>3. <i>Credit inclusion</i> Pilot a 'No Interest Loan Scheme' similar to 'the Good Shepherd Scheme' for families on low income Introduce the proposals to cap interest rates</p>	DSP DoF
<p>4. <i>Payment inclusion</i> Reframe the Household Budget Scheme to make it more widely available to other groups in receipt of payments from the DEASP Make the Household Budget Scheme more flexible in responding to changes in circumstances. Introduce legislative changes so that the Household Budget Scheme can be used to make repayments to the National Caravan Loan scheme</p>	DSP
Culturally appropriate affordable accommodation	
<p>5. <i>National Caravan Loan/Rental Scheme</i> Provide a national caravan loan / rental scheme that is available to Travellers in all counties</p>	DHLGH
Addressing energy poverty	
<p>6. <i>Residential standard mobile homes and trailers</i> Provide access to residential standard mobile homes through a caravan loan/rental scheme</p>	DHLGH
<p>7. <i>Energy efficiency measures in local authority homes</i> Retrofit local authority accommodation on halting sites, Traveller specific group housing schemes and in standard accommodation with energy efficient technologies Review arrangements for the electrification of halting sites to ensure Travellers can get direct access to utility supply from utility companies.</p>	DHLGH
<p>8. <i>Fuel Allowance</i> Extend fuel allowance payments to families who are officially sharing a bay (and thereby liable for rent), and to those in other circumstances who are provided with washing/electricity facilities by the local authority. Traveller families living adjacent to the main home using the family home address to claim Social Welfare payment should be allowed to claim fuel allowance</p>	DSP

Increase fuel allowance payments for Travellers living in mobile homes	
9. Access to exceptional needs payments Provide better access to exceptional needs payments for Travellers living in mobile homes experiencing energy poverty	DSP
10. Access to education Ensure SUSI applicants retain their social protection entitlements through their course of study. Ensure recipients of Back To Education Allowance payments and VTOS payments receive the maintenance part of the SUSI grant to ensure the wider participation of those from low income backgrounds in higher education.	DEd

Financial exclusion

‘A process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong’

1. Develop a new national financial inclusion strategy

Financial exclusion refers to a lack of access to mainstream financial services and products that can lead to further marginalisation of excluded groups including Travellers. In 2020, National Traveller MABS conducted a review of policies, services, facilities and schemes to investigate measures to improve financial inclusion from a Traveller perspective.² Our review focused on a selection of initiatives relating specifically to banking, payment and credit, and contextualises them with reference to financial inclusion policy in Ireland over time. It concludes that while there are a number of schemes and services that have the potential to improve the financial inclusion of Travellers, there is the need for the State to play a more coordinating and facilitative role in terms of promoting, supporting and stimulating interest in financial inclusion, including its broader dimensions. Our review advocates for the development of a new national financial inclusion strategy. This strategy would include banking, credit and payment inclusion as well as a focus on savings and insurance. The recent experience of COVID 19 has identified the importance of access to technologies and a decline in the acceptance of cash which will have serious implications for groups who are financially excluded. At this point in time, it is important that the State takes the lead by developing a national financial inclusion strategy.

2. Review the operation of Basic Bank Accounts

In July 2014 a European Directive issued requiring Member States to ensure that consumers have the right of access to a bank payment account with basic features. The Directive was subsequently transposed into Irish law in September 2016 by way of the European Union (Payment Accounts) Regulations 2016, Part 4 of which deals with the Directive’s provisions on access to payment accounts. A range of banks and other financial service institutions now operate what may be described as basic bank or payment accounts.

Notwithstanding, in 2018 according to the Central Statistics Office, 5.8% of households were without the use of a current account,³ which amounts to over 100,000 households. National Traveller MABS is aware that substantial cohorts of Travellers do not operate a current

² Stamp, S. & Kearns, M. 2020 *Building the Box: A review of policies, services, facilities and schemes with the potential to improve financial inclusion from a Traveller perspective*. Dublin: National Traveller MABS

³ Data kindly supplied on request by the Central Statistics Office.

account. Our recent review outlines some of the reasons why financially excluded groups remain unbanked through for example:

‘an inability to satisfy institutions’ customer identification requirements, difficulties accessing ATMs and withdrawing small amounts, and the application of fees such as ‘penalty charges’ for returned direct debits... as regards use barriers, these relate to lower literacy levels, a preference for cash to facilitate control and money management, and lack of confidence or mistrust in financial services’

Our review concludes that while there are positives to Basic Bank Accounts available through the market, there is a need to make these more accessible and usable by Travellers and other vulnerable and excluded groups.

3. Pilot a no interest loan scheme similar to the Good Shepherd ‘No Interest Loan Scheme’.

In our recent review, we also examine the Good Shepherd ‘No Interest Loan Scheme’ (NILS). This scheme is targeted specifically at marginalised groups who experience high levels of both social and financial exclusion, and is based on their microfinance scheme that began in Australia in 1988 with State support. The Irish Scheme is still at pilot stage in the Limerick City area, and based on community development and empowering principles. It is organised and run in conjunction with partners who refer people in particularly vulnerable situations, with key partner organisations being those who work with asylum seekers, homeless persons/families, families of Travellers in prison and those leaving domestic violence situations. The target group for NILS consists of those most marginalised in terms of credit exclusion, namely those living in precarious situations, on very low incomes, and not in a position to repay interest. Our review concludes that public policy should support the NILS model as a means of supporting Travellers and other groups across the country who are credit excluded. This is because it a NILS as piloted by the Good Shepard in Limerick, involves the borrower much more as an agent of change, provides an option for those who may be excluded even from credit unions, and addresses exclusion more holistically through partnerships with bodies able to assist with other dimensions of marginalised people’s lives.

4. Payment exclusion - make changes to the Household Budget Scheme to make it more flexible in responding to changes in circumstances

Our recent review further includes an examination of the Household Budget Scheme (HBS). The review identifies several advantages to the HBS including in terms of accessibility, money management, wellbeing and prevention of unmanageable debt.

It also identifies a number of improvements that might be made to the Scheme, including making it available to a wider group of social welfare recipients and addressing a number of technical or operational issues that can adversely impact on users. These include time consuming processes in activating or de-activating payments and in

amending or cancelling amounts payable, thereby resulting in ostensible or actual arrears accrual. Further, changes in circumstances such as securing employment, moving home, a reduction in payment, changed payment type, or increase in rent or utility charge, can cause particular problems as the systems in place appear ill-equipped administratively to deal with such changes quickly, seamlessly and accurately.

During 2021, National Traveller MABS sought a legal opinion on the use of the Household Budget Scheme for deductions for repayments to the Caravan Loan Scheme. Currently as the law stands the HHB scheme cannot be used to deduct repayments in respect of caravan loans issues under the National Caravan Loan scheme. Deductions from the HHB for repayments of caravan loans requires an amendment to the Social Welfare Consolidation Act of 2005 to section 290(3)(a) by the addition at the end of it words such as “save for the function of making a loan pursuant to section 25 of the Housing (Traveller Accommodation) Act 1998”.

Culturally Appropriate Affordable Accommodation

5. Provide a National Caravan Loan/Rental Scheme that is available to all Travellers in all counties

National Traveller MABS has a history of working in the area of Caravan Loan Schemes. We have been involved in supporting Travellers in accessing local authority caravan loans, supporting the operation of guaranteed loan schemes and lobbying for the introduction of a National Caravan Rental scheme that would provide residential standard mobile homes. We have produced a series of research documents in this area.⁴

We look forward to the operation of the new ‘Pilot Caravan Loan Scheme’ that is currently under development and is due to begin in June/July 2021 by the Department of Housing, and Local Government with the support of the National Traveller Accommodation Consultative Committee. We hope that learning from the pilot is incorporated quickly into a new scheme that is operational in all local authority areas and advocate the following:

- That any new scheme incorporates a rental option for families who do not wish to undertake a loan
- That the Department continues to use the BS 3632:2015 that denotes residential standard mobile homes as part of any proposed loan or rental scheme. Applying this

⁴ Stamp, S. and Kearns, M. (2019). *Accommodating Ethnicity; Addressing Energy Poverty Among Travellers Living in Mobile Homes and Trailers, An Exploratory Study*. Dublin: National Traveller MABS.
National Traveller MABS (2018). *A Small Scale Study into the Cost of Mobile Homes and Trailers for the purpose of Social Housing for Travellers*. Dublin: National Traveller MABS
Stamp, S. And Daly, L. (2015). *A Review of National Traveller MABS Loan Guarantee Schemes*. Dublin: National Traveller MABS.

standard greatly contributes to a reduction in energy poverty amongst Travellers living in mobile homes and trailers.

- That any future scheme has an accessible application process that provides engagement with money management support (through MABS services).
- That repayment options are considered carefully and that mechanisms that facilitate accessible payment options are put in place.

Addressing Energy Poverty

6. Provide access to residential standard mobile homes

In our 2019 study into energy poverty amongst Travellers living in mobile homes, National Traveller MABS found that:

- Travellers living in mobile homes or trailers are nine times more likely to go without heat than the general population;
- Travellers living in mobile homes are fourteen times more likely to be unable to keep their household warm than the general population;
- 77% of Travellers living in mobile homes are in energy poverty;
- Travellers living in mobile homes spend on average 26.1% of their income on energy, and that this is around five to six times higher than the corresponding figure of 4.6% for the population as a whole;
- Travellers living in mobile homes spend on average €108 per week on energy compared to the general population who spend €38.56 weekly.

This 2019 study recommends that families living in mobile home accommodation should be facilitated to access residential standard mobile homes to address the problem of energy poverty. This can be achieved by ensuring that Caravan Loan/Rental Schemes provide access to mobile homes and trailers that carry the British Standard BS 3632 2015.

7. Retrofit local authority accommodation on halting sites, group housing schemes and standard accommodation with energy efficient technologies

While our energy poverty study shows that Travellers living in mobile homes experience high levels of energy poverty, it is also apparent that there are some issues with 'day units' on halting sites in terms of energy efficiency. Research by Dublin 10 and 20 MABS has also identified energy poverty as a problem amongst clients in the Dublin 10 and 20 area living in local authority homes and in receipt

of social welfare.⁵ According to the annual count of Traveller families undertaken by the Department of Housing, about one third of Traveller families live in standard local authority accommodation with a further 10% living on halting sites, and less than 10 % living in group housing schemes.⁶ We welcome the Programme for Government's commitment to increase targets for retrofitting social housing and the commitment to target people experiencing energy poverty. We propose that Travellers living in local authority accommodation including those living in Traveller specific accommodation be prioritized under this commitment. This year, National Traveller MABS has instigated a pilot project in conjunction with SEAI Ireland, the Irish Traveller Movement and Sligo IT to explore measures to effectively eliminate energy poverty on halting sites. It is hoped that learning from this pilot can inform government measures towards a just transition for Travellers.

8 Fuel allowance payments

Extend fuel allowance payments to families sharing bays

DSP rules on payment of one fuel allowance per address result in only one winter fuel payment being paid regardless of how many families are living on a particular site or bay. Our 2019 report into energy poverty among Travellers living in mobile homes and trailers recommends that given the high energy costs for families sharing, payments should be made to each family sharing a site or bay.

Increase winter fuel payments for those living in mobile homes and trailers

The above report also recommends that given an average spend of €108 per week by families living in mobile homes and trailers, existing winter fuel payments be increased for Traveller families in such circumstances until such time that families have access to residential standard mobile homes.

9. Easier access to exceptional needs payments for Travellers living in mobile homes and trailers.

The 2019 study into energy poverty in mobile homes and trailers identified high levels of energy poverty with families spending 25% of their income on energy. 80% of families reported experiencing damp and 77% experiencing condensation. Many reported having to replace bedclothes and clothes more frequently. We recommend that there should be easier access to exceptional needs payments for families in these circumstances.

10. Access to education

The financial costs incurred while accessing further education and training courses are a barrier for low income households. PLC students are only eligible for maintenance grants and students in receipt of a BTEA (Back to Education Allowance) or VTOS (Vocational Training Opportunities Scheme) payment are not eligible to receive the maintenance grant leaving them in a precarious position. This is unfair, particularly as students deemed to be from low income household tend to enrol in PLC courses.

⁵ Stamp, S., McMahon, A. And McLoughlin, C. (2017). *Left Behind in the Cold. Fuel Poverty, Money Management and Financial Difficulty Among Dublin 10 and 20 MABS Clients, 2013 and 2017*. Dublin: Citizens Information Board.

⁶ <https://www.housing.gov.ie/housing/special-housing-needs/traveller-accommodation/2017-annual-estimate-traveller-families-la-and>

Many of the most vulnerable in higher education are mature students, those who have a disability or an illness and come from low income households. Upon entry to higher education, those on payments such as carer's allowances, jobseekers allowance, and / or disability may be forced to change to the Back to Education Allowance (BTEA) payment to keep entitlements such as the Housing Assistance Payment (HAP) or rent supplement and other social welfare scheme and supports. Those in receipt of the BTEA payments are not then entitled to receive the maintenance part of the SUSI grant. This should be recognised as a significant barrier to widening participation of those from low income backgrounds in higher education and should be examined as a matter of urgency.

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