



National Traveller Mabs

Money Advice & Budgeting Service

The Implications of financial exclusion for health and wellbeing

SUBMITTED TO PAVEE POINT TRAVELLER AND ROMA CENTRE
FOR INCLUSION IN TRAVELLER HEALTH STRATEGY

National Traveller MABS was formally established in 2005 and is fully funded by the Citizens Information Board (CIB). National Traveller MABS *is a leading advocate for the financial inclusion of Travellers in Ireland.*

Introduction

National Traveller MABS is concerned with the financial inclusion of Travellers. Travellers experience multiple forms of financial exclusion which is linked to mental stress and consequently impacts on mental and physical health. Issues such as the lack of access to culturally appropriate affordable accommodation, fuel and energy poverty and lack of access to basic financial services combine to create multiple forms of financial and social exclusion. These issues are multi-faceted and inter-related. For example, Travellers choosing to live in mobile homes, must purchase their own mobile. In all but rare exceptions having to finance this purchase with a loan. As many Travellers are financially excluded from mainstream financial lenders their only avenue is to borrow from the local authority or a money lender. With only 38% of local authorities' currently offering caravan loans and the amounts available being limited this issue has huge consequences for Travellers trying to access culturally affordable accommodation. Travellers often take out loans to purchase mobiles despite not being able to fully afford the loans, and despite the implications for not having sufficient resources to service smaller loans for everyday events. In addition the purchasing power of the existing loan scheme means that in most cases Travellers can only afford, cheap fuel inefficient second hand holiday homes.¹ From our work, we are aware that Travellers living in fuel inefficient mobile homes report higher levels of fuel costs than those in standard accommodation. As outlined, the situation results in over-indebtedness, increasing the likelihood of fuel poverty as well as putting credit worthiness at risk by forcing people to take up unsustainable loans. There are a number of concrete measures which can be taken to address some of these issues and alleviate some of the

¹ 'A Small Scale Study into the Cost of Mobile Homes/Trailers for the Purpose of Long Term Living for Travellers' 2018, National Traveller MABS

associated mental and physical health issues this paper outline the nature of these issue and makes recommendations to address some of the issues.

Accommodation Issues and the lack of affordable good quality accommodation

Mobile Homes and Trailers

There is an absence of robust comprehensive policy in the area of affordable good quality culturally appropriate accommodation for Travellers. This is particularly noticeable for Travellers who choose to live in mobile home or trailer accommodation. While the state may, if available provide a family with a bay on a halting site, (there are waiting lists for Traveller specific accommodation), Travellers must purchase their own mobile home or trailer. For most families, this means that they must take out a loan. *The 'Scheme of Loans and Grants for the Purchase of Caravans by Travellers'* is the only state funded programme to assist Travellers in the purchase of mobile homes and trailers. The Housing Agency's, 2017 review of the scheme found that it is only operational in 38% of local authority areas.² National Traveller MABS 2018 study into the cost of mobile homes and trailers found that the purchasing power of the scheme is not sufficient to enable Travellers access to residential standard mobile homes.³ In fact the current available loan amounts will only provide access to 10-15 years old holiday home standard mobile homes and in 80% of cases lacking either double glazing, central heating or both.

National Traveller MABS has supported a number of Caravan Loan Guarantee Schemes in order to create access to credit for the purchase of mobile homes and trailers for Travellers.⁴ These schemes were successful in that they supported Travellers to secure accommodation, were financially inclusive, created positive credit histories for those participating and demonstrated the low default rates amongst Travellers who participated. These schemes in themselves were not a policy solution but rather an option for Travellers who had no other means of financing the purchase of their own home. The underlying issue of the affordability of good quality accommodation still remains.

Under the existing policy, Travellers, a low income group, the vast majority of which rely on social housing, when choosing to live in culturally appropriate accommodation (trailers and mobile homes) are required to finance the purchase of their own bedroom and living room accommodation. This

² 'Review of the Scheme of Loans and Grants for the Purchase of Caravans by Travellers', 2017 Housing Agency for the Department of Housing Planning and Local Government

³ 'A Small Scale Study into the Cost of Mobile Homes/Trailers for the Purpose of Long Term Living for Travellers' 2018, National Traveller MABS

⁴ 'A Review of the National Traveller MABS Supported Loan Guarantee Schemes' 2015 National Traveller MABS

has multiple implications in that the real cost of purchasing good quality accommodation is not attainable for the vast majority of Travellers. Travellers traditionally are left with no option but to buy cheaper, older, and fuel inefficient mobile homes. While these mobiles are cheaper than new more fuel efficient models, financing their purchase can still lead to situations of over indebtedness and financial stress. The majority of local authorities suspended their schemes due to high levels of arrears and default which indicates that this approach is not working. National Traveller MABS is of the opinion that this situation is untenable and only a National Rental Scheme where the state provides residential standard mobile homes under a differential rent scheme will end the financial exclusionary nature of current policy.

Discrimination and unaffordability in the private rented sector

Increasingly, Travellers, like many other groups on social housing waiting lists are relying on the private rental sector for housing. There is heightened competition in the housing rental market, due to the shortage of available properties for rent. While it is illegal for landlords to discriminate against potential tenants, we know that discrimination occurs not only against those qualifying for social housing, but also against Travellers. While Travellers make up 1% of the population, 9% of all people who are homeless are Travellers, and Travellers are almost 10 times more likely to report discrimination in housing than people who are described as white Irish.⁵ For those that secure tenure under RAS and HAP schemes we are aware that caps on the amounts payable for properties mean that the payment often falls short of the market rent and can lead to families having to make up the difference causing real financial hardship. Given that Travellers find it so difficult to secure tenancies in the first instance highlighting the issues around affordability is made more difficult. There is a marked difference between the cost of rent for tenants of local authorities paying rent under a differential rent system and for social housing tenants paying rent under either RAS or HAP as the latter is predicated on the market rent for the property. This is an anomaly in the current social housing policy that needs to be considered for the implications in relation to poverty and deprivation.

⁵ Grotti, R. Russell, H. Fahey, É. Maître, B. 'Discrimination and Inequality in Housing in Ireland' 2018 ERSI Research Series, prepared for the *Irish Human Rights and Equality Commission*

National Traveller MABS recommends:

These issues are ones that are reported to and worked on by National Traveller MABS and we recommend the following to address the issues outlined:

Provision of Mobile Home/Trailer Accommodation

- That the state develops an Irish Residential Standard for mobile homes and trailers that is informed by manufacturing standards
- That residential standard mobile homes are made available by the state through the provision of a 'national mobile home /trailer rental scheme'
- For Travellers who opt to buy mobile homes, that affordable loans are made available through local authorities or other appropriate state agencies and that the Household Budget Scheme is made available to those in receipt of Social Welfare as a mechanism to repay the loan. Support for budgeting for these loans should be supported by MABS services nationally

For Travellers reliant on housing payments such as HAP and RAS

- That cognisance of discrimination against Travellers in trying to access the private rental market through RAS and HAP is incorporated into policy in this area, and mechanisms that address this discrimination are devised and implemented
- A rethink of the HAP and RAS schemes so as to ensure tenants pay a rate that is equivalent to what is paid by social housing tenants paying rent under the differential rent scheme within local authorities

Fuel Poverty and Health

Fuel poverty arises out of the relationship between household income, energy efficiency of the dwelling and fuel prices, and is an issue for low income groups in particular. Households are deemed to be in fuel poverty when they spend 10% or more of their income on fuel.⁶ National Traveller MABS is currently undertaking a study into the nature and extent of fuel poverty amongst Traveller in Ireland, as this issue has been consistently highlighted to us through our work in the areas of accommodation, disconnections and utility provision. In addition, a recent report undertaken by Dublin 10&20 MABS indicated that Travellers living in mobile homes in Dublin 10 and 20 area had higher rates of fuel poverty than other low income groups locally. There are established links between fuel poverty and poor health with people in fuel poverty tending to describe poorer overall health than those not in fuel poverty.

The following are listed as the effects of fuel poverty by a policy paper on fuel poverty and health by the Institute of Public Health in Ireland:

Direct effects

- *Colder indoor temperatures place a 'thermal stress' on the body, affecting the immune system and the blood and cardiovascular system*
- *Cold damp houses harbour mould and dust mites which aggravate respiratory and allergic conditions, independent of smoking behaviours in the household*
- *Living in damp, cold housing has negative effects on mental health.*

Indirect effects

- *In order to adequately heat their homes, householders experiencing fuel poverty cut-back on spending across other areas such as food, clothing and transport which further contributes to social exclusion*
- *Fuel-poor households tend to accumulate debt ultimately leading to disconnection from mainstream fuel and electricity supplies which drives them further into poverty and social exclusion*
- *Fuel-poor households are associated with 'spatial shrink' where fewer rooms are occupied in the winter months.*
- *Spatial shrink is associated with further deterioration in overall housing condition and contributes to overcrowding. For example, in families with children, spatial shrink means children have limited space to play and do homework.*

A further complication for Travellers living in mobile homes on official halting sites, is that their connection to electricity is to a 'group scheme'. They do not receive their bill directly from the

⁶ 'McAvoy, H. All-Ireland Policy Paper on Fuel Poverty and Health Dublin: Institute of Public Health in Ireland, 2007.

energy provider. The bill for the group of tenants is sent to the local authority who calculate each household's bill and then charge the tenant a combined electricity and rental charge. There are numerous issues with this system, primarily the household does not have direct verification of their energy usage, cannot query their usage cannot switch to alternative providers to make savings and are not incentivised to reduce usage.

National Traveller MABS recommends:

National Traveller MABS recommends the following to alleviate fuel poverty among Travellers

- The state ensures that Traveller are supported to live in residential standard fuel efficient mobile/trailer homes by developing an Irish Standard and providing affordable access through a caravan rental scheme
- For those Travellers currently living in mobile/trailer homes that additional fuel payments are paid to families during the period of Department of Social Protection's current winter fuel payment scheme, until a time that they are offered a rental mobile
- That fuel efficiency/energy saving schemes are promoted to Travellers living in group housing schemes, and that specific measures are developed to assist Travellers to access these schemes
- That for Travellers living in group housing or halting sites that their energy charges are divorced from their rental payment and that they are individually billed for their energy usage and are free to switch between energy providers
- That landlords are incentivised to upgrade to more energy efficient heating systems

Access to Financial Services

Travellers have difficulties in accessing and using financial services, such as basic banking facilities, credit, savings and insurance services.⁷ This has led to a reliance on money lenders both illegal and legal and to over indebtedness.⁸ National Traveller MABS works to address financial exclusion through a range of initiatives and supports including;

⁷ Quinn, P. and Ni Ghabhann, N. 2004. *Creditable Alternatives*. Dublin: Exchange House Travellers Service

⁸ Stamp, S. *Issues of Personal Finance within the Traveller Community* 2010. National Traveller MABS

- promotion safe and legal cheaper credit through credit unions, most recently promotion of the 'It Makes Sense Loans'
- promotion of accessible financial services such as basic bank accounts
- promotion of affordable insurance products to ensure adequate provision when a loved one dies
- Promoting access to information on welfare and housing entitlement through our newsletters, websites and facebook
- Promotion of budget management options such as the Household Budget Scheme
- Promotion of local MABS and Citizens Information Services

A substantial part of our work is to support Travellers to access their local MABS and Citizens Information Service. Up until relatively recently, this was undertaken through our 'Key Worker'⁹ programme. We worked with local primary teams to promote an understanding of the work of MABS services and support referrals by the local group into MABS. The programme objectives were as follows

- To develop knowledge and skills within the Community (through the Traveller Key Worker) in order to promote access to and use of MABS, CIS and financial services by the Traveller Community.
- To provide relevant information in order to support the Traveller Community in accessing local services.
- To develop a good local relationship between Travellers, MABS, CIS, and local financial service providers.
- To record data on issues arising within the Community, details of the advice and information provided, and referrals made to services providers such as MABS and the CIS.

National Traveller MABS recommends

- That the Department of Employment Affairs and Social Protection expands the range of bills that can be paid through the Household Budget Scheme
- The development of alternative payment, savings and insurance initiatives that are tailor made to meet the needs of Travellers
- Continued support of monitoring of financial exclusion issues for Travellers through MABS services
- Funding of the MABS Key Worker Programme

Conclusion

Travellers experience high levels of financial exclusion which has implications for their mental and physical health and wellbeing. Many of the issues that cause financial exclusion can be addressed by commitment to and delivery a number of key actions. These include the provision of residential standard affordable accommodation through a National Caravan Rental Scheme, commitment to ensuring social housing tenants regardless of the scheme they are on have access to a differential rental scheme, a commitment to eradicate fuel poverty amongst the Traveller Community through targeted measures and continued support for specific initiatives such as those delivered by National Traveller MABS.

Appendix 1

CASE STUDY

Client A –Brigid

Brigid is a married woman in her 40's. She has 8 children including some adult children and some of her younger children are still attending school. Brigid has sons and daughters. One of Bridget's adult children lives in their own caravan on site with their partner and children. She has been a resident of the site on which she is living since she herself was a child. There is a MABS service located near to where Brigid lives.

Relationship with MABS

Brigid has been a client of the local MABS for a number of years and returns when she needs information, advice and support about a particular issue. She says that the MABS service is supportive and helpful. She became aware of MABS when a group that she attended hosted a MABS community education input. She says the staff of MABS were friendly and welcoming. MABS had said they wanted to assist members of the Traveller community and she felt that gave her the 'courage' to attend the service. Brigid says she often she doesn't use other services as she is afraid of what reaction that she will get from staff there. She is not always sure whether people will be friendly or helpful. In 2011, Brigid worked with MABS to get a loan from the local credit union to replace the windows in her home. She says she never would have gone to the credit union for a loan were it not for MABS. She says she wouldn't have had the courage. This loan has been repaid in full. She still has a credit union account and tries to save but doesn't always have money left in her budget to do so regularly.

Accommodation

Brigid lives in what was once a holiday home which it is slightly bigger than a mobile home. It has two very small bedrooms. It is 50 years old and has no insulation. In winter time it gets very cold.

Brigid rents a utility unit from the council. It has a sink, toilet shower and a space for a washing machine. Brigid describes it as a 'work mans shed'. The utility unit pipes, freeze during winter, which leaves her without water to cook, wash or flush the toilet. Brigid explained that she has only had electricity and water for the past 7 years. Prior to that she was connected to another family's electricity across the site which was dangerous. Brigid described the difficulty in wintertime of trying to go from her home into the utility unit for washing, and how sometimes she used to bring a small bath into the mobile home so the younger children would not have to go into the cold unit to get washed. Brigid has been on the housing list for 24 years. She has been offered unsuitable accommodation on a small number of occasions, at one point a two bedroom house was offered. She has been told she is seen as a 'high priority' by council staff but this has not translated into an offer of suitable accommodation.

Fuel Costs

While she replaced the windows in her home with a loan assisted by MABS, her home is still very cold as there is no insulation in the walls. Brigid says that heating the mobile is very expensive and a big proportion of the family income is spent on fuel. During the winter period, she buys two bottles of gas per week to run her heating, a separate bottle of gas to run her gas cooker and she also has electric heaters to in each of the rooms. The heaters have to be on all the time in the winter. Her home is still not warm but just 'not as cold'. Brigid says that finding the money to pay for fuel is very stressful, and often money for food is used to pay for fuel. She describes winter time as being 'very hard'. She estimates that she spends €155 weekly on gas and electricity during the winter period.

Relationship with local authority

Brigid describes her family's relationship with the local authority in very negative terms. She talks of the impact of the council building a large wall behind her home and how frightened she was during the building process that her children might fall into the holes being dug for the foundations of the wall. She spoke of over the years trying to talk to the local authority about issues on the site and of 'not being listened to'. She said 'when you tried to make things better, they wouldn't listen'. She also spoke about experiences of family members being 'pushed or bullied' into decisions around accommodation and not having the courage or knowledge of their rights to say no. She also mentioned individuals in the council who were supportive and listened but overall her experience was negative.

Brigid explained that her rent and electricity payments are combined and are paid to the local authority and not the electricity provider. This makes it difficult to understand her electricity usage

or query a bill. Brigid says 'you have to take the word of the council' about what your bill costs. She estimates that she pays €60 per week on this combined payment, €10 of which is for rent of the 'utility unit'.

Relationships with other agencies

Brigid says it is very difficult trying to manage her budget. Two of her older children are of an age where they can collect an unemployment assistance payment in their own right. They do not want to engage with the Department of Social Protection as their older sibling has had very negative experiences despite him being really motivated to get a job. Their older sibling has had payments stopped and attended appointments only to find staff not available to answer their query. Her older children say they want to try and pick up some work but refuse to engage with the Department. This means Brigid has no certainty about either child contributing to the family budget and often her own family payment has to cover her adult children's food and other expenses. She says often they can't go out with friends or get a haircut and she sometimes buys their clothes in charity shops. She also has another adult child who is married with their own family and she supports this family often providing meals for them.

The impact of trying to manage her budget

Brigid finds it hard to manage her budget. Often there is not enough money to meet the basic cost of accommodation, fuel, food and clothing. This is very stressful and Brigid says she 'can't sleep at night for worrying about money'. The family's financial situation also impacts on mental health. Brigid's husband has periods of depression where he stays in bed a lot, loses his appetite, doesn't want to talk with people and won't leave the trailer. He has attended the mental health clinic in the past. He is a good man and she worries about him and also about the mental health of her adult children as she notices signs that they too may have issues with depression. She tries to hide her husband's depression from her younger children as she doesn't want to upset them. Brigid says she has to be strong to manage and take care of her family but there is always a lot of stress on her to try to manage in terms of heating their home, paying their bills, having enough money for food and clothing and dealing with discrimination. She is hoping to be re-housed in upgraded Traveller accommodation, but says she is afraid to look forward in case she is disappointed as many times over the years this has been the case. Brigid still attends MABS for advice and support.

National Traveller MABS would like to thank Brigid (not her real name) for sharing her story and highlighting the difficulties for Travellers living in poorly insulated mobile home accommodation

and the impact financial hardship and discrimination has on a family's health including mental health and wellbeing.