

Prison Reform Trust briefing - the links between finance/ debt and women's offending

The Prison Reform Trust is an independent UK charity working to create a just, humane and effective prison system. We have a longstanding interest in improving justice outcomes for women and are currently pursuing a three year strategy, supported by the Pilgrim Trust, to reduce the unnecessary imprisonment of women.

Long-term poverty, debts and loans with high interest are the reality for many women offenders.

NOMS (2012) A distinct approach: a guide to working with women offenders

Overview

Women are more likely to be dependent on benefit income,¹ including housing benefit, and are therefore likely to have been particularly affected by the impact of welfare changes.² The equality impact assessment for the benefit cap, for example, explicitly states that “60% of customers who are likely to have their benefit reduced by the cap will be single females but only around 10% will be single men. Most of the single women affected are likely to be lone parents.”³

It is well-established that relationship problems feature strongly in women's pathways into crime, that women are vulnerable to exploitation by men and that coercion by men can form a route into criminal activity for some women.⁴ Nearly half of women prisoners (48%) questioned for the Surveying Prisoner Crime Reduction (SPCR) longitudinal survey reported having committed offences to support someone else's drug use, compared to 22% of male prisoners.⁵

Anecdotally at least, we are aware of cases involving women convicted of fraud offences whose offending was directed by coercive partners/spouses who had accumulated significant gambling debts, of debt accrued following a bereavement or due to changes to the way in which benefits are paid out, official error, job loss or overpayment.

¹ Fawcett Society (2005) *Who Benefits? A gender analysis of the UK benefits and tax credits system* London: Fawcett Society

² Fawcett Society (2012) *The impact of austerity on women* London: Fawcett Society

³ Department for Work and Pensions (2012) *Benefit cap: Equality impact assessment* London: DWP

⁴ See, for, example chapter two: Men and women; equal outcomes require different approaches – the need for a distinct approach in *The Corston Report* London: Home office

⁵ Light, M. et al (2013) *Gender differences in substance misuse and mental health amongst prisoners* London: MoJ

A WomenCentre survey of 44 women receiving intensive support found that three quarters were recent victims of domestic violence, whilst almost half (44%) had their partner steal from them.⁶

In addition, financial concerns are a driver to women's offending. A Cabinet Office study found that 28% of women offenders' crimes were financially motivated, compared to 20% of men's.⁷ Earlier research on mothers in custody found that 38% attributed their offending to 'a need to support their children', single mothers being more likely to cite a lack of money as the cause of their offending than those who were married.⁸ A recent newspaper article on the value of women's centres, for example, highlighted the experiences of one woman who, harassed and beaten by loan sharks looking to call in debts accrued by her husband in her name, had robbed banks to pay them back.⁹

There is some evidence that sanctioning of those on job seekers allowance (JSA) is contributing to women's debt. An example we were made aware of by a probation officer involved a mother of young children who was undertaking unpaid work in a local charity shop as part of the terms of a community order. Between fulfilling the hours requirement of the unpaid work order, caring for her children, and problems accessing a computer, she had failed to apply for the specified number of jobs and was sanctioned. Probation staff were intervening on her behalf to appeal the decision. Elsewhere, an evaluation of community services for women offenders highlighted "*women [who] had debts arising from fines and social fund loans that were being deducted from their benefits. Others had borrowed money from loan companies and were being threatened by bailiffs...case workers were able to arrange realistic re-payment terms, removing...the motivation to reoffend to get hold of cash quickly.*"¹⁰

In August 2013, the Prison Reform Trust convened a roundtable consultation event for the women's community sector at Birmingham's Anawim women's centre on the Sentencing Council's draft fraud, bribery and money laundering offences guideline and its implications for women offenders. Attendees included a women's centre debt advisor, the manager of Birmingham Women's Aid's Women's Safety Unit, a mental health nurse and a probation trust women's lead. Concerns raised at the event included:

- that for most women offenders benefit fraud arises not from a desire for personal gain but a necessary act of survival – this has been exacerbated by welfare cuts.

⁶ Duffy, S. and Jones, C. (2011) *Women at the centre – innovation in community* Sheffield: Centre for Welfare Reform

⁷ Cabinet Office Social Exclusion Task Force (2009) *Short study on women offenders* London: Cabinet Office

⁸ Caddle, D. & Crisp, D. (1997) *Imprisoned women and mothers* Home Office Research Study 162 London: Home Office

⁹ www.theguardian.com/society/2013/jan/27/women-in-prison-rehabilitation-chris-grayling

¹⁰ Radcliffe, P. and Hunter, G. (2013) *The development and impact of community services for women offenders: an evaluation* London: ICPR

- the bedroom tax has put pressure on women to get lodgers, putting them in potentially dangerous situations - this is compounded as many housing providers/initiatives make it impossible for people to rent out rooms.
- women who have experienced domestic violence and have been forced to move from one refuge to another frequently have their benefits suspended, often as a result of official/clerical error.

The Prison Reform Trust's response to the Sentencing Council's consultation, which we would like to submit to this consultation as supplementary evidence, is available [here](#).

Women in prison

"I don't know which banks and credit cards I owe on because they're passed from agency to agency and I'm confused when I get letters. They've stopped coming as frequently as they did before. There's now only four companies where there should be a dozen. I don't reply to them. If you reply to one in here they all flood the prison. I'll deal with it when I get outside."

"The housing [is the debt which worries me the most], because when you come off a housing association, when you try to get on another one, they'll check. If you've got arrears, they'll turn you down. That's why so many people go homeless. Gas and housing, because when I came in here I ended up in arrears. I had court fines, but that was for my partner. It was a burden."

"I need to pay a lot of money before they'll re-house you. That's wrong because you'll be homeless. They should give you a flat and let you pay off so much a week."¹¹

Time is Money, a joint Prison Reform Trust/UNLOCK report on prisoners and financial exclusion found considerable differences between women and men in prison:

- Women were more likely than men to worry about housing debts (linked to the need for suitable housing prior to regaining custody of the children)
- Fewer women than men had bank accounts
- Men were more likely than women to say that their debts had worsened while in prison
- More women than men said that they felt unsure about managing money (40% vs. 24%)
- Less than one in five of the women interviewed had been offered financial advice while in prison.¹²

Analysis of the most recent HMIP inspection reports on women's prisons¹³ reinforces this picture, with approximately 1 in 4 women surveyed stating they were worried about money

¹¹ Edgar, K. & Bath, C. (2010) *Time is Money: financial responsibility after prison* London: PRT

¹² www.prisonreformtrust.org.uk/ProjectsResearch/Resettlement/TimeisMoney

on their arrival in prison, whilst more than half of women (53%)¹⁴ did not know who in the prison could help them with finances on release, and 28% of women thought they would have problems opening a bank account on release.

As the inspection reports make clear, the provision of services and interventions targeting debt, and good financial management more broadly, is patchy. There is clearly some excellent practice that should be expanded and made more joined up.

In HMP Downview,¹⁵ for example, women could access benefits advice and debt support delivered by JobCentre Plus and Citizens Advice Bureau, though many were unaware of these services, whilst in HMP Drake Hall, despite appropriate needs assessments undertaken on arrival, there were no specialist debt advice, money management or budgeting classes available, and only women on the outwork scheme were able to open bank accounts. In contrast, induction assessments at HMP Bronzefield included finance, benefit and debt, trained resettlement workers worked with national debt agencies to ensure women received professional advice, Jobcentre Plus staff were available three days a week, women could receive help to open bank accounts and the prison had run a Stop Loan Sharks campaign for prisoners and their families. A full-time JobCentre Plus worker at HMP New Hall *“saw all newly arrived women at the first night centre the day after arrival. She closed existing benefit claims, advised prisoners on benefits and loans and grants, helped to preserve employment and organised benefit claims after release. If appropriate and with prisoners’ permission, the worker would also contact family members to offer benefit advice.”*¹⁶

In January, the Prison Reform Trust convened a high-level roundtable event at HMP Holloway, bringing together women prisoners and staff with leaders of key London agencies and authorities and Big Lottery England to develop a plan for reducing women’s imprisonment in London. A survey of women’s needs undertaken recently in the prison had found that benefits were the main source of income for more than half (53%) of respondents, while 43% of all women said they were currently in debt.¹⁷

Roundtable attendees heard how many women entering prison are in debt, and too often, imprisonment leads to a worsening of their financial situation, making it difficult for them to access housing and benefits on release, and to be reunited with their children. Participants identified the following priorities for change:

¹³ HMP Bronzefield and HMP Send in 2010, HMP East Sutton Park, HMP Eastwood Park, HMP Low Newton and HMP Peterborough in 2011 and HMP Downview, HMP Holloway and HMP Drake Hall in 2013

¹⁴ HMP Downview, HMP Drake Hall, HMP New Hall, HMP Holloway and HMP Bronzefield only

¹⁵ Subsequently re-roled as a men’s prison

¹⁶ HM Chief Inspector of Prisons (2012) *Report on an unannounced full follow-up inspection of HMP & YOI New Hall* London: HMIP

¹⁷ Unpublished survey, undertaken on 2nd May 2013

- Debt advice should be available to every woman who needs it and help to close off mounting debts e.g. mobile phone, rent arrears etc.
- Women leaving prison should not have to wait for long periods to access benefits they are entitled to on release. Applications for housing benefit, jobseekers allowance and other financial support should be submitted at the earliest opportunity to ensure payments are automatically re-started on release.

Her Majesty's Inspectorate of Prisons is currently consulting on changes to its women's expectations (the criteria for assessing the treatment of prisoners and conditions in prisons). Whilst the consultation provides an opportunity to ensure that the expectations for finance, benefit and debt are specific to the needs of women and delivered to an appropriate standard, there are broader questions over the availability and consistency of provision and staff training which will need to be addressed by the Prison Service and NOMS. Given the centrality of finance, benefits and debts to successful resettlement, it is vital that the services provided under the Transforming Rehabilitation programme address women's financial needs and concerns.

Universal credit

The Prison Reform Trust is concerned that changes to the way in which benefit payments will be made under Universal Credit, which are currently being trialled in pathfinder areas, risk further penalising vulnerable women. Such concerns are acknowledged in the Universal Credit personal budgeting support guidance, which recognises domestic violence/ abuse as a tier one factor meaning it is highly likely/probable that there will be a need for alternative payment arrangements (such as split payments between partners). Whilst we are pleased the guidance recognises domestic violence as including "*threatening behaviour, violence or abuse (psychological, physical, sexual, financial or emotional)*... [and] *abuse that forms a pattern of coercive and controlling behaviour e.g. controlling the other person by using a variety of financial means,*"¹⁸ we would welcome clarification as to what evidence will be required to demonstrate domestic violence/abuse, and a commitment to monitor the impact of these changes on women.

For a more detailed discussion of the potential risk associated with single payments, see the Women's Aid briefing on this issue.¹⁹

We are also concerned that the move to Universal Benefit (specifically to single monthly payments) will increase the risk of some kinds of benefit fraud as more low income

¹⁸ Department for Work and Pensions (2013) *Universal Credit guidance on personal budgeting support* London: DWP

¹⁹ www.womensaid.org.uk/core/core_picker/download.asp?id=3912

households get into financial difficulty, for example accumulating rent arrears when housing benefit is not paid to the landlord.

Criminal Justice and Courts Bill

Proposals in the Criminal Justice and Courts Bill requiring courts to impose a charge on all adult offenders who have been convicted of a criminal offence may lead to more women getting into debt. Despite the safeguards built into the provision, we are concerned that many offenders will not be in a position to afford court costs in addition to paying the costs of compensation, victim surcharge, prosecution costs and fines. The provision could result in injustice as defendants could end up entering a guilty plea rather than face the possible financial penalties of proceeding to trial. Given that, anecdotally at least, there is evidence to suggest that women offenders are more likely to plead guilty at the earliest opportunity in order to get out of court as quickly as possible, often to meet their primary caring responsibilities, there is a risk that women will be disproportionately and unfairly burdened by additional court charges. This warrants further consideration.

Financial Freedom

In 2011 and 2012, the Financial Mail on Sunday, working in partnership with the Prison Reform Trust produced *Financial Freedom*, a series of newsletters designed to help women leaving prison, and others, to get their lives in order.²⁰ These were distributed to all women leaving prison and those in women's centres. As well as serving as information resources on available help for women experiencing financial problems, *Financial Freedom* included articles on getting your money back on track, with details of which banks offer accounts to women in prison, information on benefits for prison leavers, support for entrepreneurial women wanting to start their own businesses, including how to draft a business plan, and declaring convictions when applying for jobs.

Conclusions

There is public support for tackling debt where this is a driver to women's offending. A Prison Reform Trust YouGov survey of 1,552 adults, undertaken in 2012, for example, found that getting out of debt (61%) was considered more effective in reducing non-violent offending by women than imprisonment (52%).²¹

We repeat the recommendation put forward to the Ministry of Justice in our report *Time is Money* for a national framework for tackling financial issues tailored to the specific needs of

²⁰ www.prisonreformtrust.org.uk/ProjectsResearch/Women/FinancialFreedom

²¹ www.prisonreformtrust.org.uk/PressPolicy/News/vw/1/ItemID/174

women in the criminal justice system, who appear to be more financially excluded than men, with a particular focus on:

- asking women about their financial situation
- raising awareness of financial products and services
- accessing money and debt advice
- accessing insurance with a criminal conviction
- accessing affordable credit.²²

Programme to reduce women's imprisonment
Prison Reform Trust

²² Prison Reform Trust (2010) *Time is Money: financial responsibility after prison* London: PRT