

# Credit Action Annual Report 2011



**creditaction**  
Better thinking about money

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2011 has turned out to be a pivotal year for Credit Action in many ways. As the economic turmoil continued, earnings continued to fall and the cost of living continued to rise. Never has there been a greater need for individuals to understand and make the most of their money. Every 4 minutes someone in the U.K. is declared insolvent or bankrupt and every 14 minutes, 28 seconds a house is repossessed. These are not just statistics, but real people, real families struggling to keep their money and their lives under control.

Our work with people across the country helping them stay on top of their money to ultimately prevent the pain and stress that out of control debt undoubtedly causes, continues to be absolutely vital. In 2011 many individuals used our websites, tools, printed guides and training courses for help and advice on money matters; 40,000 who downloaded our Spendometer mobile app for budgeting on the go.

The biggest story for us however, was the growth of our young people work. Once again we reached over 400,000 young people with our ever popular Student Moneymanual and delivered financial education workshops directly to young people around the U.K. during our first ever full year of our DebtCred and Future Ready programs. We directly delivered to over 20,000 young people and found the demand and feedback of our offering to schools to be very positive.

Finally there were a number of people changes at Credit Action in 2011. Malcolm Hurlston stepped down from the Board of Credit Action after six years as Chair. He deserves our thanks and appreciation for taking the charity forward, as do Richard Talbot and Liz Dunscombe, Director and acting Director of Credit Action, before Michelle Highman was appointed as Chief Executive.

We join a successful and thriving organisation, with an ever more essential purpose in 2012 and beyond. 2011 saw the organisation begin to find its identity as a financial capability charity providing proactive financial education and advice to young and old. The current economic backdrop makes this work even more essential and in demand. And so we are taking the opportunity in 2012 to continue to focus Credit Action on its core purpose of helping as many people as possible make the most of their money. We hope to set out plans for the organisation and its future shortly.



Chris Pond  
Chairman



Michelle Highman  
Chief Executive

# Objectives & Activities

Credit Action is the UK's only dedicated money education/financial capability charity. We exist to help everybody in the U.K. (both young people and adults) stay in control of their finances, rather than let money control them or disrupt their lives through over-indebtedness and poverty.

We were set up in 1994 by Keith Tondeur OBE and have grown in impact, voice and reach ever since. Our charitable objectives as set out in our Memorandum and Articles are:

“The relief of poverty in particular by the provision of money advice to persons in need”

&

“The advancement of education of the public in debt management”

These reflect the history of Credit Action, in that the organisation was originally a debt advice charity. For many years however, Credit Action has been providing money education and in 2011 finds itself very definitely in the financial capability space, helping people across the U.K. make the most of their money and to live more happily as a result.

We do this through four main strands of work; with young people, with adults, with the industry and through policy, advocacy & media.

# Our Young People Work

## In Schools

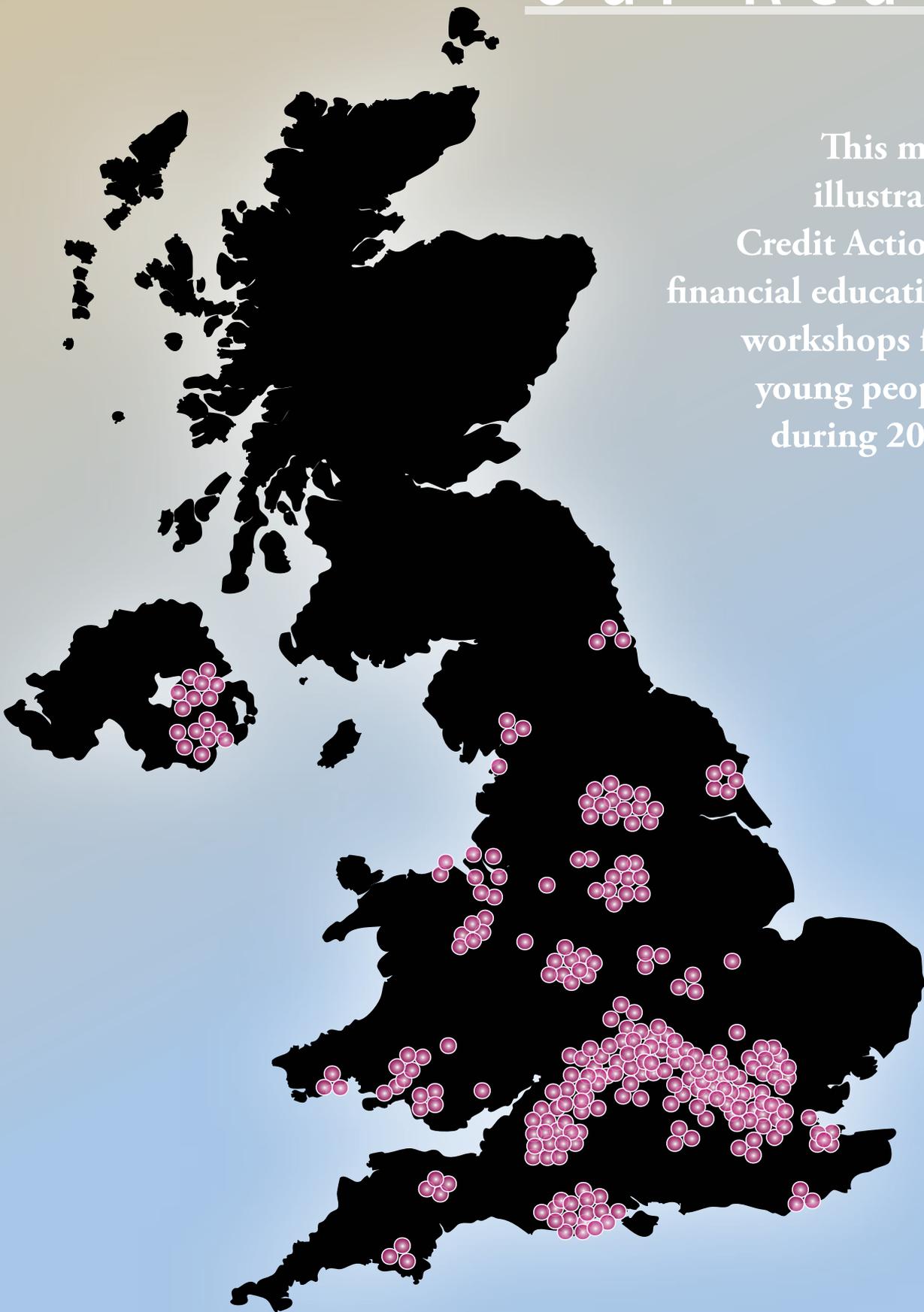
Throughout 2011, demand for our financial education workshops increased as schools and young people became increasingly aware of the need to understand how to manage money from an early age. Young people are encountering money earlier and earlier, and it is vital that they are equipped with the

skills and knowledge they need to make the most of it. To help with this, we deliver financial education workshops in schools throughout the UK to improve young people's confidence and skills in managing their finances. We offer two tailored products for young people in schools - **Debt Cred and Future Ready.**

Through our financial education workshops, we reached a total of **21,606** young people through **467** workshops

# Our Reach

This map illustrates Credit Action's financial education workshops for young people during 2011



Each  represents a workshop delivered in 2011

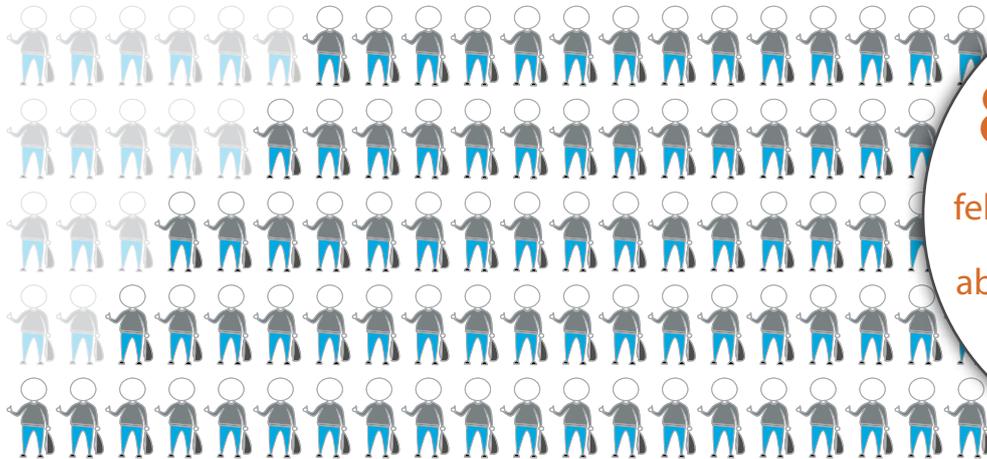
# DebtCred

Our DebtCred workshop is aimed at 11 to 16 year olds and covers budgeting, the importance of savings and understanding credit. It is delivered on our behalf by volunteers from the financial

services industry. The program has grown considerably in 2011, expanding from just one county (Cheshire) to three new areas: Oxfordshire, Wiltshire and Kent. Evaluations were conducted after each workshop.

Through our DebtCred program, we reached a total of **9,851** young people through **229** workshops.

# What our evaluations showed:



**84%** of students  
felt **more confident**  
about money matters after  
our workshops

**78%** of students  
learned **new money**  
**management**  
**skills**



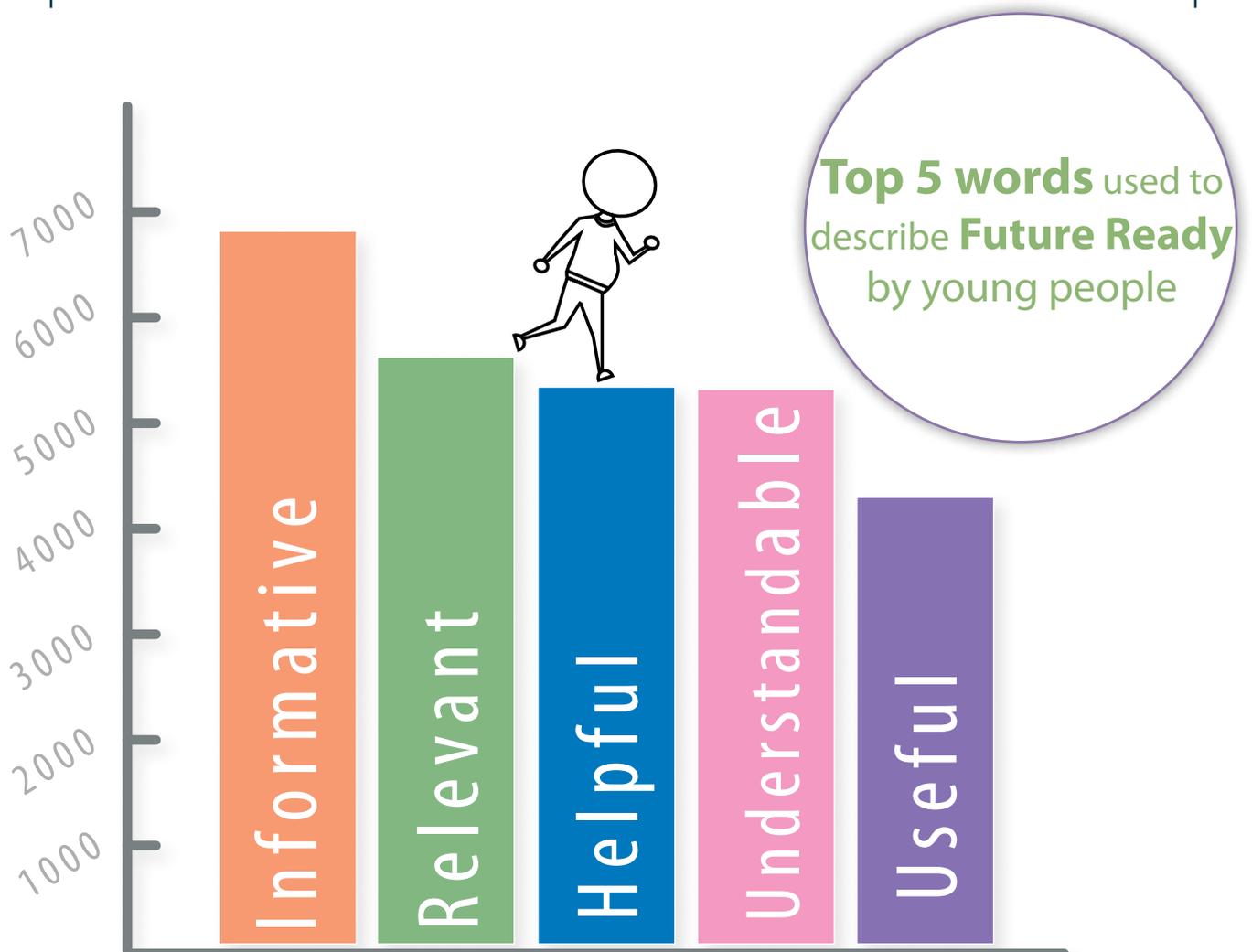
**82%** of students  
felt they would be  
**better** at keeping their  
**finances under**  
**control**

# Future Ready

Future Ready is aimed at the slightly older age group - 16-19 year olds - and covers banking, student finance, credit and budgeting. These workshops were conducted across England,

Northern Ireland and Wales. After each session we conducted an evaluation which gave an insight into the student and the teacher's experience of the workshop.

Through our Future Ready program, we reached a total of **9,745** young people through **238** workshops.

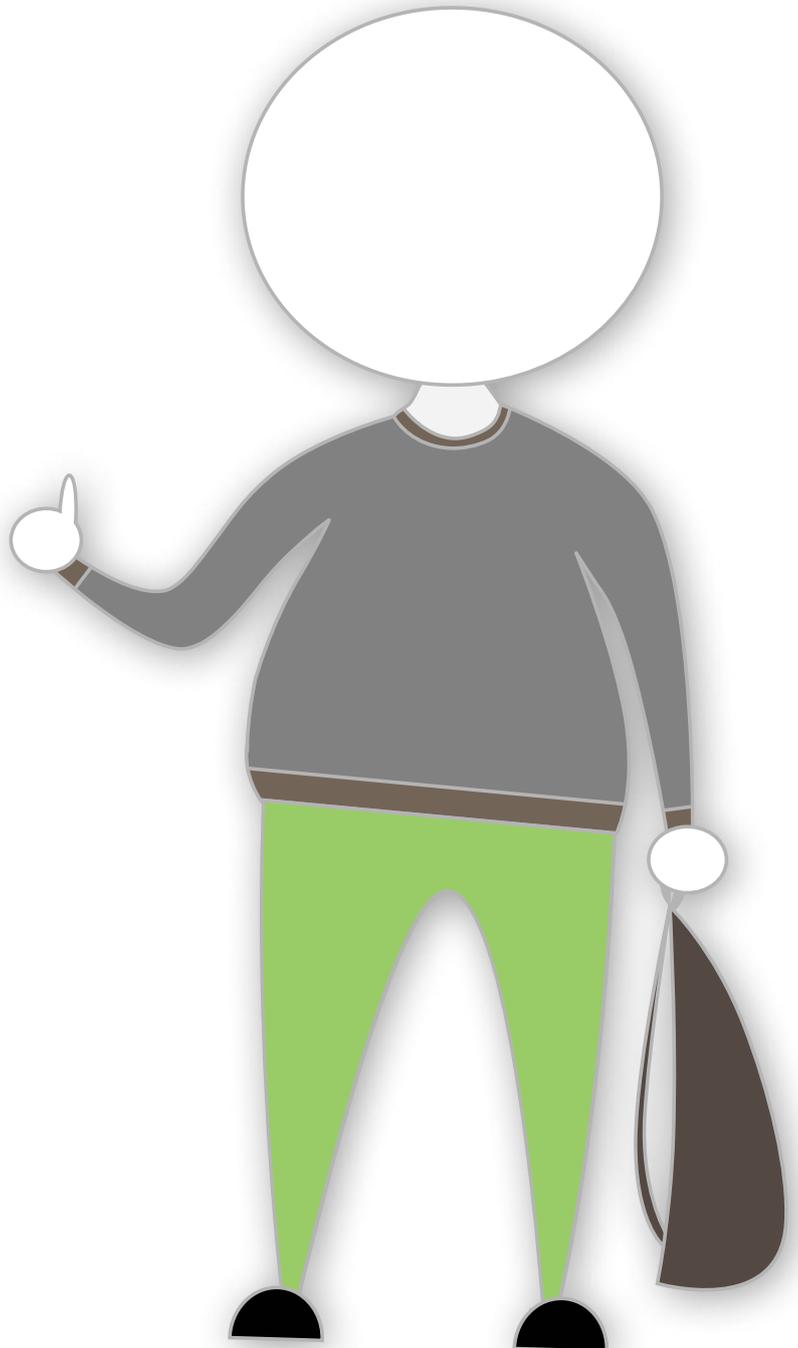


# What our evaluations showed:

**80%** of students felt 'more confident when dealing with money and financial matters'

**95%** of teachers strongly agreed or agreed that the workshops taught pupils new skills.

**78%** of students felt more confident drawing up a budget following the presentation.



# Student Finance Workshops



In 2011 we continued to support our aim of providing key financial information to students starting university by joining the Student Finance Information Taskforce.

As part of the Taskforce's activity, a national Student Finance Day was held on 14 November 2011 with the aim to ensure that the changes to the student finance system for 2012 are correctly understood by students, their parents and teachers.

This prompted Credit Action to develop and deliver free workshops throughout the country to help college students make informed choices about their finances and university. During the week of 14th November, we delivered workshops to 700 university

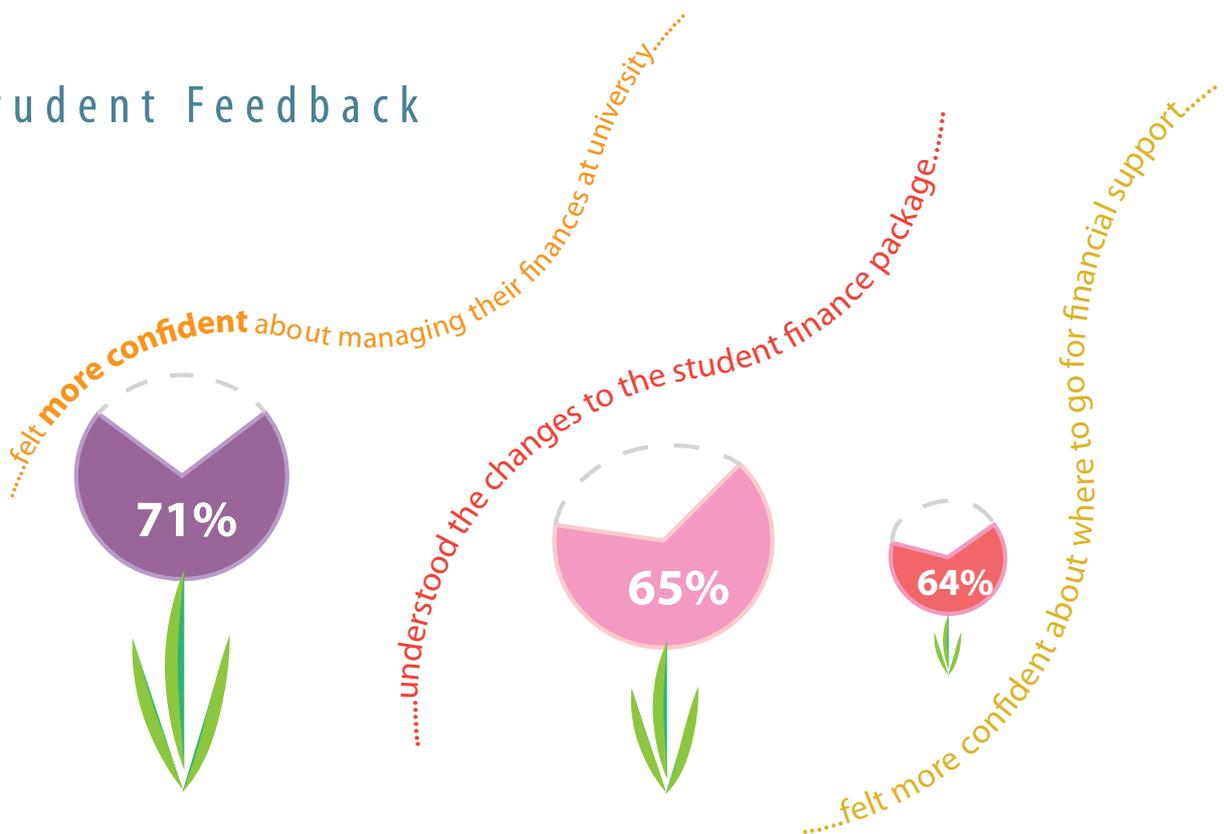
The Student Finance Information Taskforce brings together like minded organisations to help deliver accurate and independent information on student finance to prospective university applicants. It is headed by Martin Lewis - other members include NUS, The National Association of Money Advisors, Credit Action and more.

See [www.studentfinance2012.com](http://www.studentfinance2012.com)

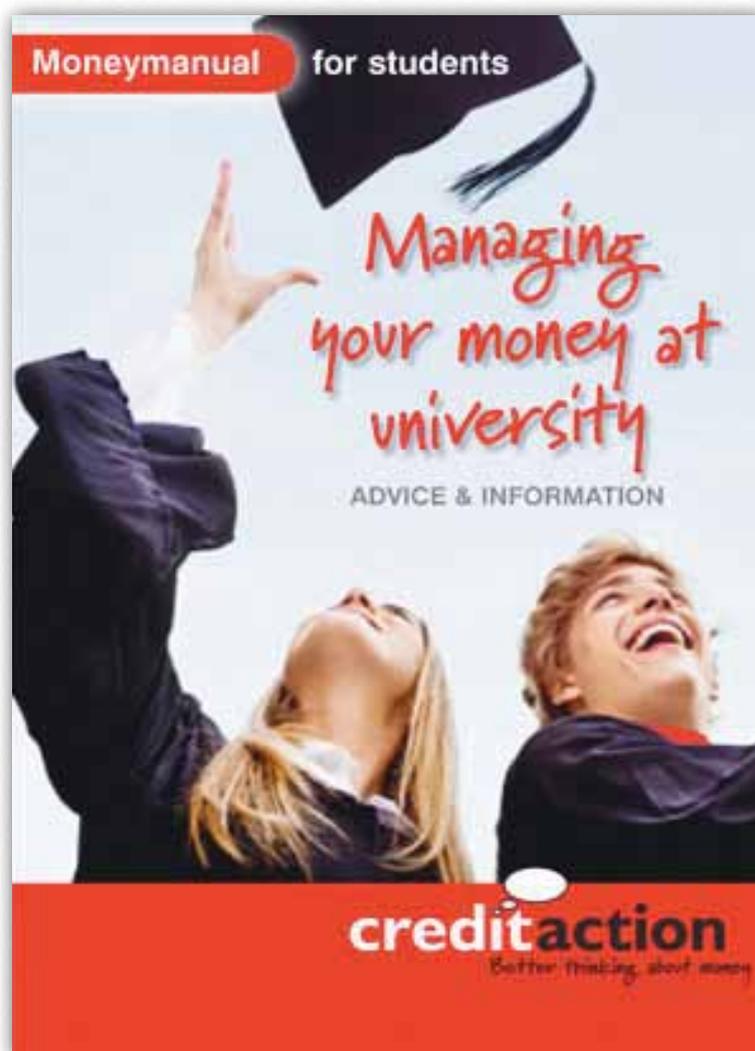
students in efforts to help demystify the confusion surrounding the increases in tuition fees.

Our support for the Student Finance Day compliments our on-going efforts to improve financial capability amongst young people through the Student Moneymanual and other financial education workshops.

## Student Feedback



# The Student Moneymanual



In order to properly prepare young people for the financial responsibilities of becoming a student, with the support of Santander, we produce a Student Moneymanual, which is distributed to prospective students in the UK through the Universities and Colleges Admissions Service (UCAS).

*"In 2011, we reached 410,653 students in this way"*

It is also available in Santander University branches and directly from Credit Action. The manual encourages students to plan their finances ahead of going to university and provides information on student finance, budgeting and money saving tips. In 2011, we reached 410,653 students in this way.

“It has helped me make an informed decision about my future.”

- Student Feedback, Student finance Day

“Definitely helped as I will have to borrow money for university. It has helped a lot with my understanding of credit and that I should only borrow money if it is essential”

- Teacher feedback, Student Finance Day

“It is such a good idea to address children about these matters. In fact I know that I will benefit. When it comes to money, I consider myself thoroughly naive, ill-informed and even backward”

- Student feedback, Debt Cred

“Students were encouraged to think throughout the workshop, which engaged the students!”

- Teacher feedback, Future Ready

“I definitely know to watch out in the future and look after my money”

- Student feedback, Debt Cred

“I enjoyed the whole presentation and was really glad someone came in to talk about the importance of saving money as I am more informed about managing money”

- Student feedback, Debt Cred

F e e d b a c k

# Our Adult Work

Engaging with adults on money matters is always a difficult task. Generally adults are reluctant to discuss money or their financial affairs and to ask for help or guidance. To cut through this reluctance and to position managing your money as a positive life skill, Credit Action produces a number of innovative tools, websites, training courses and other forms of information and advice.

As well as having its own website, Credit Action supports and provides content for a number of other industry funded websites. It produces tools such as the [Budget Builder](#) and an app for mobile phones – the [Spendometer](#) – which allows people to budget and track their spending whilst on the go – this app was [downloaded 41,700 times in 2011](#).

We view the financial services industry and our work with them as a very important way of reaching adults. We produce tailored information and advice to the customers of the financial institutions we work for. We are valued as an independent and impartial voice and develop tailored products to meet the needs of the particular firm and their customers.

We produce a [Money Advice Map](#) – which allows people to locate their nearest debt advice centre and a suite of [Moneymanuals](#) which offer tailored information & advice on particular aspects of managing money – these are available to download free from the website or in hard copy upon request.



“...the Spendometer - which allows people to budget and track their spending whilst on the go... was downloaded 41,700 times in 2011.”

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# Direct interventions

We also deliver or support a number of more direct interventions. We deliver training courses and community events which concentrate on budgeting, managing money and credit and financial inclusion (for housing professionals). **771 people attended these events in 2011.**

We began piloting a **Money Makeover** project, with industry support, which consists of budgeting advice over the phone and in written form, offered free to their customers who are experiencing difficulties paying their mortgage and are being offered forbearance.

We also offer face to face debt and budgeting advice to the clients of housing associations in South Wales. We delivered 347 in depth appointments in 2011 to help individuals get on top of their debt and/or to make a budget. In some cases we were also able to run credit checks and provide advice for those who were considering buying their homes.

Our work through churches is also an important way to reach those in need. Our **Community Network** now has 48 members who deliver money advice and support in churches across the country –

we provide networking and support opportunities for our members and online support, advice and tools.

In addition the **Community Voice Forum** – a collaboration between us, Community Money Advice, Christians Against Poverty, Stewardship and Crown Financial Ministries provides a voice and an opportunity to collectively campaign on money and debt matters. There are now 52 members of the forum.

In addition we have enabled over 100 churches to run the Money Course as part of the Alpha Course suite. We are currently working with Holy Trinity Brompton to develop new course materials and a DVD to allow many more to deliver the course in their community.



Credit Action promoting our work at the Credit Today Summit.

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# Work with the Industry

In addition to our work with the financial services industry to distribute financial capability messages, we work with them to improve their practices which have a direct impact on their customers. We believe that an important way to improve outcomes is for us to work directly with the industry to help them shape their policies and practices for the good of their customers. To this end we run a Quality Marking scheme which is an



independent debt audit – a review of debt collection processes and communications.

We work with a number of financial institutions who are committed to the principles behind the Mark and who have agreed to the ongoing review of their processes. We also work with trade associations to influence policy and reform at an industry

wide level – for example we held a roundtable in the House of Commons on responsible payday lending.

## Policy, Advocacy and Media

We work to influence policymakers and the media in a number of ways. On a monthly basis we produce our 'Debt Statistics' – a statistical report which outlines the levels of debt in the UK as well as providing a range of other figures related to money, finance and the economy. These are used widely by industry, the media, charities and lobby groups. They are unique in the sector and were recently endorsed as 'fast becoming the industry standard'.

***"[The Debt Stats are]... fast becoming the industry standard"***

In addition we attempt to influence policy by responding to consultations from Government Departments and other public bodies as well as by becoming members of various All Party Parliamentary Groups (APPGs). Additionally, we continued our efforts to gain representation in larger and smaller media outlets with measurable success. In 2011, we gained coverage in print, web and radio around the country.



## Future Developments

In 2011 Malcolm Hurlston stepped down from the Board of Credit Action after six years as Chair. He was succeeded in September 2011 by Chris Pond. In addition, in November 2011 a new Chief Executive– Michelle Highman – was appointed. As evidenced in this report, Credit Action has an impressive reach and breadth and delivers some crucial products and services across the U.K. However with a new Chair and Chief Executive in post, we felt the time was right to build on this, and move the charity on to the next stage. And so we decided to commission an organisation wide strategic review which looks to assess our vision, mission, and objectives and to set out our plans for future delivery. We hope to conclude this review in late 2012/early 2013 and set out clear plans for the future of the organisation over the next few years.

Trustees

**Chris Pond - Chair**

**Gordon Bell** (Resigned August 2011)

**Jeremy Burton**

**Malcolm Hurlston** (Resigned August 2011)

**Kamala Panday**

**Greg Stevens**

**Chief Executive**  
**Michelle Highman**

**President**  
**Keith Tondeur**

Auditors

**Wright Vigar Limited**  
**Registered Auditors**  
**Chartered Accountants**  
**& Business Advisers**  
**Northgate House,**  
**Northgate, Sleaford,**  
**NG34 7BZ**

Administrative Details

**Registered Company number**  
**(England & Wales)- 5244075**  
**Registered Charity number - 1106941**  
**Registered office - 6th floor, Lynton House**  
**7-12 Tavistock Square**  
**London, WC1H 9LT**  
**Company Secretary - Roger Keel**

# Statement of Financial Activities

	<b>Total funds 2011 £</b>	<b>Total funds 2010 £</b>
<b>Incoming Resources</b>		
<b>Incoming resources from generated funds</b>		
Voluntary income	412,552	537,116
Investment income	414	188
<b>Incoming resources from charitable activities</b>		
Core Activities	64,658	49,373
<b>Total Incoming resources</b>	<b>477,624</b>	<b>586,677</b>
<b>Resources expended</b>		
<b>Costs of generating funds</b>		
costs of generating voluntary income	4,431	10,343
fundraising trading:	19	
Cost of goods sold & other costs		
<b>Charitable Activities</b>		
Core Activities	505,188	460,969
<b>Governance costs</b>	<b>3,980</b>	<b>4,249</b>
<b>Total Resources Expended</b>	<b>513,618</b>	<b>475,561</b>
<b>Net incoming/(outgoing) resources before transfers</b>	<b>(35,994)</b>	<b>111,116</b>
<b>Gross transfers between funds</b>		
<b>Net incoming/(outgoing) resources</b>	<b>(35,994)</b>	<b>111,116</b>
<b>Reconciliation of Funds</b>		
<b>Total funds brought forward</b>	<b>197,671</b>	<b>86,555</b>

## Trustees' Statement

This Statement of Financial Activities is not the full statutory accounts but is a summary of the information which appears in the full accounts. The full accounts have been audited and given an unqualified opinion. The full accounts were approved by the Trustees on 3 July 2012 and a copy has been submitted to the Charity Commission and Registrar of Companies. These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the Company. To obtain the full report, including full accounts information refer to Company's offices.

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