



TELEPHONE FINANCIAL COUNSELLING SERVICE – EVALUATION OF SERVICE QUALITY AND OUTCOMES

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EXECUTIVE SUMMARY

BACKGROUND AND PURPOSE

Consumer Action Law Centre (Consumer Action) provides a range of services to Victorian consumers, including telephone financial counselling and referral¹ to individuals who have financial problems. The purpose of this evaluation was to:

- measure the quality of the financial counselling assistance provided by Consumer Action, specifically where advice or other resources are provided to enable clients to self-help; and
- recommend changes that could improve the effectiveness of the service.

While the evaluation didn't consider other types of financial counselling assistance provided by the service (such as information provision where no action is required to be taken by the client, or referrals to community based financial counsellors where further advocacy is required) many of the findings and recommendations apply to the service more broadly.

The key question for the evaluation was "How effective was the telephone financial counselling service provided by Consumer Action in enabling clients to self-help in a way that resolved, or improved, their financial problem/s?"

KEY FINDINGS

Consumer Action's telephone financial counselling service provides valuable assistance to low-income and disadvantaged people that improves financial outcomes for them and their families. Clients who are able to act on their own (who don't require someone to advocate on their behalf) are appropriately identified and provided with advice that most of them act upon. The information and assistance provided to clients was accurate and applicable to the clients' circumstances.

All clients surveyed were on low incomes. Most clients were in receipt of a Centrelink income and most had experienced a life event that had an impact on their financial situation. All but one client called because they were unable to pay bills or debts.

The majority of clients who made contact with the service took action based on the advice provided. For those who took action based on the advice, there was some improvement in their financial situation. Even some of those who didn't take action reported that the service had helped them. Clients generally found the advice easy to understand and to follow.

While a minority of clients said they would have preferred to have a face-to-face financial counselling session, most preferred the telephone or didn't have a preference. A client's preference for a face-to-face service didn't appear to relate to whether that could have resulted in a better outcome. The telephone financial counsellors' assessment that these clients could be assisted by telephone financial counselling (rather than a referral to a face-to-face service) was generally appropriate.

¹ Consumer Affairs Victoria financial counselling service delivery model: <https://www.consumer.vic.gov.au/clubs-and-not-for-profits/grants/financial-counselling-program/service-delivery-model-induction-tool>

FACTORS THAT IMPACT ON THE OUTCOME

The major factor that influenced the outcome was whether or not the client was engaged with the telephone interview and the service. In part this depended on factors beyond the service's control, however recommendations are made regarding the interview process and techniques that could improve engagement for some clients.

A recommendation is made for the development of a more formal quality improvement process that focuses on interview structure and techniques.

ABOUT THE FINANCIAL COUNSELLING SERVICE

CONSUMER ACTION LAW CENTRE

Consumer Action is an independent, not-for profit consumer organisation based in Melbourne. Consumer Action works to advance fairness in consumer markets, particularly for disadvantaged and vulnerable consumers, through financial counselling, legal advice and representation, and policy work and campaigns. Delivering assistance services to Victorian consumers, Consumer Action has a national reach through its deep expertise in consumer law and policy and direct knowledge of the consumer experience of modern markets.

Consumer Action operates a telephone financial counselling service providing free, confidential and independent financial advice to Victorians experiencing financial difficulty. The service is known and promoted externally as 'MoneyHelp'. MoneyHelp is nationally recognised as the first point of telephone contact in Victoria for anyone with financial counselling issues. In 2016, MoneyHelp will be rebranded to be part of the National Debt Helpline.

Consumer Action provides free legal advice and pursues litigation on behalf of vulnerable and disadvantaged consumers across Victoria, and is the largest specialist consumer legal practice in Australia. As well as working with consumers directly, Consumer Action provides legal assistance and professional training to community workers who advocate on behalf of consumers.

WHAT IS FINANCIAL COUNSELLING?

Financial counsellors provide information, support and advocacy to assist people in financial difficulty. Their services are free, independent and confidential. Financial counsellors have knowledge in a range of areas including consumer credit law, debt enforcement practices, the bankruptcy regime, industry financial hardship policies and government income and concession entitlements. There are financial counselling services in every state and territory in Australia.

Examples of problems that present to financial counsellors include:

- problems paying debts and bills as a result of long-term low income;
- retrenchment/unemployment resulting in mortgage arrears, debt collection action on credit card debt, and difficulty paying utility bills; and
- small business collapse or accumulating business debts contributing to a fear of losing the family home.

The assistance that a financial counsellor can provide is usually unlikely to completely resolve the client's problem which is, almost always, a result of particular life circumstances. However, the assistance can help improve the client's problems, for example by:

- enabling the caller to submit a request for hardship assistance to a lender (or utility provider) and complain to the relevant ombudsman if the request is unsuccessful;
- helping the client to prioritise bills so that the most important payments (for example the mortgage) are paid ahead of less urgent bills;
- explaining the debt recovery process to help the caller clearly understand the implications of unpaid debt (in some cases callers have false fears that can be allayed, for example the wrong belief that non-payment of debts is a criminal matter);
- explaining a consumer's rights when confronted with demands or harassment from a debt collector; and,
- explaining the pros and cons of bankruptcy to enable the caller to determine whether bankruptcy is a solution that should be considered.

NATIONAL 1800 'SERVICE'

A national "financial counselling hotline" is promoted widely to people who need assistance with financial problems. The hotline is not a service but a number (1800 007 007) that automatically

directs callers to a telephone service in each state and territory, where the caller can be referred to a community based financial counsellor and/or receive financial counselling assistance by telephone. Consumer Action's financial counselling service fulfils this role in Victoria so is the initial contact point for many Victorians who require financial counselling help. The national 'service' will become known as the National Debt Helpline in 2016, and a new national website will be established to support the service.

FINANCIAL COUNSELLING WITHIN CONSUMER ACTION

One of Consumer Action's predecessor organisations, Consumer Credit Legal Service, was established with the help of financial counsellors in the early 1980s. At the time, financial counsellors recognised the need for legal assistance for people with credit and debt problems to enhance the work of financial counsellors. A significant amount of the legal help provided by Consumer Action relates to credit and debt problems. Financial counselling therefore fits in well with the other services provided by Consumer Action. There is considerable referral between the lawyers and financial counsellors.

Consumer Action's policy work and campaign priorities also relate closely to the work of financial counsellors. Consumer Action works to "advance fairness in consumer markets, particularly for disadvantaged and vulnerable consumers". Priority areas include financial difficulty and inclusion, credit and debt, the energy market and unfair consumer practices such as door-to-door selling²—all issues that impact on financial counselling clients.

THE TELEPHONE FINANCIAL COUNSELLING PROCESS

The service assisted 12,000 people in the 2014/15 reporting period and provided 7,500 hours of financial counselling sessions, 3,500 referrals to a community-based financial counselling service and 1,000 hours of short information and referral sessions.

Either a financial counsellor or an intake worker answers incoming calls. Intake workers record some information and arrange for a financial counsellor to call the person back at an agreed time. A financial counsellor may triage the call if there is high demand. This generally takes less than 15 minutes and the financial counsellor determines whether the individual can be given basic information within the 15-minute period, could be helped by one or more telephone financial counselling sessions (of about ½ hour each) or whether the person needs to be referred to a community-based local financial counsellor who mostly sees people in a face-to-face appointment.

Reasons that a person might be referred to a community based local service include:

- the person may need a face-to-face service as they have difficulty explaining their problem on the phone or in understanding the advice due to personal factors such as language issues or disability;
- multiple documents need to be physically examined; or
- the problem is complex so that ongoing assistance may be required or the person can't negotiate with third parties themselves and needs someone to act on their behalf.

If a telephone financial counselling session is determined to be appropriate, a time is then set for this session. If referral to a community-based financial counsellor is needed, the telephone counsellor will advise the client when to expect their particular local service to call to start work on the issue—this should be either 48 hours, one week or four weeks, depending on the level of urgency of the issue. Where a particular service agrees,³ a "warm referral" may be made where (with the client's

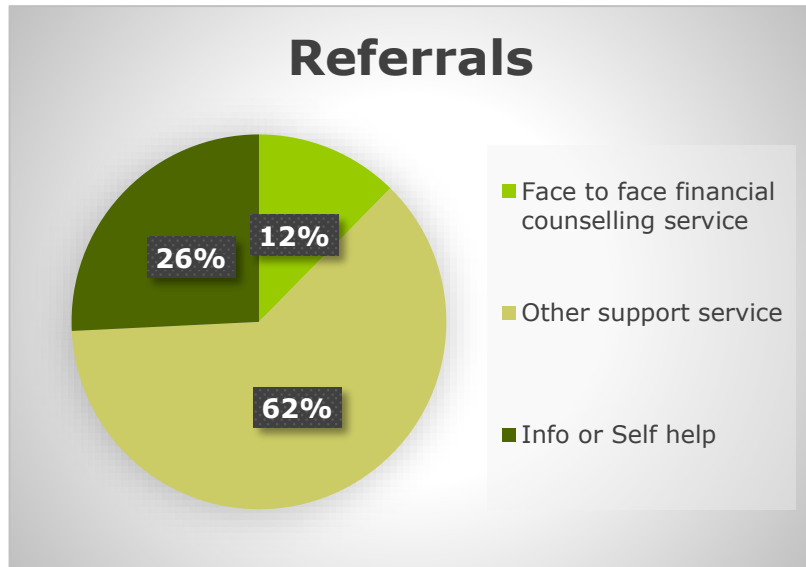
² Consumer Action Law Centre, Policy and Campaign Plan, 2015-2016

³ All Consumer Affairs Victoria (CAV) funded financial counselling services have agreed under the funding contracts to accept warm referrals. Most other services not funded by CAV have also agreed to accept warm referrals.

permission) details of the case are sent to the community-based service which then contacts the client to arrange an appointment. This has the benefit of the client not having to explain their problem twice and it can prevent 'referral fatigue'.

The triage process generally ensures that more individuals can obtain help, because staff can be allocated between triage and financial counselling roles so that callers aren't kept waiting. However, the triage process is not always used, particularly if there are only a few people in the telephone queue.

MoneyHelp refers about 25 per cent of callers to a community-based financial counselling service where they may receive face-to-face counselling. In most cases these are "warm" referrals, where MoneyHelp passes on the client's information to the service (with the client's permission) and the service makes contact with the client. MoneyHelp refers another 60 per cent to other community services such as legal, drug and alcohol, mental health or family violence services.



However, 15-20 per cent are not referred to any other service. MoneyHelp provides some of these callers with the information they need via telephone and sends some additional information by email.

Not all these callers need to take specific action to resolve their problems. For example, the financial counsellor may simply explain the person's rights when dealing with debt collectors, explain the impact of a credit report default or explain options (such as bankruptcy) that may be worth considering in the future.

ELIGIBILITY

Eligibility for financial counselling services, as agreed with the funding body,⁴ is limited to individuals who are "financially disadvantaged or vulnerable". Those who are financially disadvantaged are eligible for "information, referral and sessional casework". If the person is also "vulnerable", they are entitled to "extended casework services". Extended casework services include advocacy services where the financial counsellor advocates with other parties on the client's behalf.

MoneyHelp defines a person as "financially disadvantaged" if they are in financial difficulty and:

- they have no income;
- their main source of income is a Centrelink benefit; or
- their income is insufficient to sustain their personal financial commitments and they have defaulted on payment of their debts, or are at risk of defaulting.

⁴ Consumer Affairs Victoria, Financial Disadvantaged and Vulnerable Criteria, Financial Counselling Program (last updated 27/8/2014) <https://www.consumer.vic.gov.au/clubs-and-not-for-profits/grants/financial-counselling-program/service-delivery-model-induction-tool/practice-elements/financially-disadvantaged-and-vulnerable-criteria>

MoneyHelp defines vulnerability as any factor that could limit the person's capacity to assist themselves, and can include:

- Aboriginal and/or Torres Strait Islander
- family violence
- homelessness
- intellectual or physical disability
- lack of formal education (including illiteracy)
- life event (includes accident, illness, divorce, unemployment, death of a close family member)
- limited English proficiency
- mental health issues
- substance abuse.

The service does not provide information about what business options might be available to clients, although it does provide information to eligible clients where business debts have an impact on personal finances (for example where the person is unable to pay living expenses or a family home is under threat).

PREVIOUS EVALUATION

An evaluation report prepared by consultancy firm, Clear Horizon, was published in 2010, less than 12 months after the service commenced.⁵

The report found that "Overall it was evident that MoneyHelp contributed significantly to improving the financial situation of clients."

It found that the service "attracted a significant proportion of individuals who would not have otherwise made contact with a face-to-face financial counselling service" and who had never contacted any face-to-face welfare agency and were unlikely to consider contacting a face-to-face service.

The concept of telephone financial counselling was very new at that time in Victoria, and the report noted that there was a "strong view expressed by some financial counsellors working face-to-face that clients preferred [in-person financial counselling] rather than via the telephone". However, the majority of callers surveyed stated a preference for telephone assistance.

⁵ MoneyHelp Evaluation Report, Clear Horizon Consulting Pty Ltd, 2010.

EVALUATION METHODOLOGY

This evaluation aimed to:

- answer the question “How effective was the service provided in enabling clients to self-help in a way that resolved, or improved, their financial problem/s?” and
- identify elements of the service that may impact on effectiveness.

This evaluation focused on one group of callers to the financial counselling service—those who were not referred on to any other service and who were provided with assistance to enable them to take action to address their problem themselves.

Consumer Action chose this group because the absence of the involvement of other services made it easier to correlate the client outcomes with the service provided by Consumer Action.

While improvement in the client’s situation is only partly dependent on the quality of service provided, the outcome for this particular group should be a reasonably strong indicator of quality.

Once the data was collected and analysed, the client outcomes were considered in relation to service processes and the actual interview (from recordings of the financial counselling sessions) in order to determine the factors that were likely to have an impact on effectiveness.

This evaluation has been informed by the work of Dr Liz Curran. Dr Curran has worked with Consumer Action over the past 4 years to develop, and undertake, evaluations of the telephone legal advice service.⁶ While recognising that there are some significant differences between the financial counselling and legal services, much of Dr Curran’s work with the legal service is transferable and tools she has developed were modified for this evaluation. Dr Curran made herself available to the evaluator to provide input and advice.

The evaluation is, in part, informed by the expertise and experience of the evaluator, Carolyn Bond. Carolyn has significant experience in consumer advocacy services, including community legal services and financial counselling. She was co-CEO of Consumer Action law Centre at the time that the telephone financial counselling service was established.

COLLECTING DATA FROM CLIENT RECORDS

Data accessed from the files included income source, source of referral, type of problem and the advice provided.

Once the surveys were completed, the following additional data was obtained from the files:

- whether or not the clients had received an email following the financial counselling session;
- whether or not there had been a triage session prior (and separate) to the financial counselling session; and,
- whether the client had initiated further contact with the service after the first financial counselling session.

⁶ Dr. Curran’s services have been provided to Consumer Action pro-bono by ANU College of Law.

SELECTING CLIENTS FOR SURVEY

File numbers were identified that fit the following criteria:

- the matter was closed between 3-6 months ago;
- a telephone financial counselling session was provided;
- the caller wasn't referred to any other service, including a community-based financial counselling service; and,
- the assistance provided included advice about action the caller could take (self-help).

At the commencement of the evaluation, a few of the calls were made where the matter was closed less than two months ago. However, this period didn't allow adequate time for the person to take action, so the evaluation selection criteria was expanded.

Part of the selection process was a manual one. One hundred and sixty-five files were identified as fitting the criteria (although there were more during the period that would have fitted the criteria). Attempts were made to call 120 of these clients. We were unable to contact 71 clients, and 12 refused to take part in the survey. Thirty-seven responded, at least in part, to the survey.

UNDERTAKING THE SURVEY

The evaluator made about 30 percent of the calls, with the intake workers from the service (not financial counsellors) making the majority of calls.

To maximise the response rate, an initial call was made. If the person didn't answer, a detailed SMS message was sent (via a web app) that explained the purpose of the call and advised that a call would be made within a few minutes. The SMS message also asked the person to call the financial counselling service and ask for the intake worker (by name) if we were unable to make contact.

The financial counsellors advised that most callers to the service were unlikely to listen to a voice-mail message, hence the use of SMS messages.

The person making the call read the notes on file in order to have some familiarity with the file before making the call.

Completing the surveys was a time-consuming process. It could sometimes take up to an hour to contact one client who agreed to make contact and complete one survey. This is similar to the experience of a similar survey for the legal advice line by Dr Curran.

The survey questions are attached at Appendix 1 – Survey questions.

RECORDINGS

The service records all calls and these recordings were made available to the evaluator. The evaluator listened to 11 client interviews (of about 30 minutes each), including respondents to the survey who did not remember the service or had not taken any action, as well as respondents who had taken action and had a positive outcome. The service identified one call as high quality, for the purposes of comparison.

RESULTS

CALLER PROFILE

Almost all callers reported a life event that had a direct impact on their financial circumstances. Seventeen had become unemployed, six experienced failure of a small business. Other life events included death of a spouse (one), serious illness (of self – one, spouse – one, parent – one) relationship breakdown (two) and family violence (one).

INCOME

Thirty of the 37 callers were on Centrelink income (mostly Newstart Allowance) or did not have an income. The rest were on low incomes.

PROBLEMS

All but one of the 37 callers had problems with debts (including mortgages, personal loans and credit cards, debts from a failed small business) and/or were unable to meet payments for rent or utilities. The other caller was seeking information about options for a small amount loan.

Thirty of the 37 callers had problems with multiple debts. The other six were simpler problems involving one debt or one issue, such as an energy bill.

REFERRAL SOURCE

Almost half of those who identified a referral source (15/32) were self-referred, most using the internet to find the service. The second largest referral source was creditors such as banks and utilities (12/32).

NUMBER OF CONTACTS WITH THE SERVICE

Twelve of the 37 contacted the service again to seek further assistance, and therefore had more than one session with a financial counsellor.

TRIAGE

Approximately 13 of the 37 initially had a triage call (a brief conversation about their problem with a financial counsellor or intake worker) where a time was made (usually within 24 hours) for a telephone financial counselling session. The other callers received financial counselling assistance at the time they made the first call to the service.

DID THE CLIENT REMEMBER THE SERVICE?

Thirty-one of the 37 clients clearly remembered receiving financial counselling assistance from the service and the advice they were given. For a further three clients they appeared to recall the service when reminded about some details of the interview.

(Introduction describing “MoneyHelp”) Do you remember speaking to us and the advice that you were given?

Yes		No		Unsure	
31	84%	3	8%	3	8%

DID CLIENTS TAKE ACTION?

Over half of the clients took the action that was suggested by the service. For some others it was unclear whether or not they had acted on the advice.

Did you act on our advice and in what way?

Yes		No		Unclear	
21	57%	8	22%	8	22%

WAS ADVICE EASY TO UNDERSTAND AND PRACTICAL?

All respondents who answered this question said “yes”.

TELEPHONE OR FACE-TO FACE?

The majority of participants preferred accessing financial counselling over the telephone.

Would you prefer to get financial counselling help via phone or face-to-face?

Phone	Face-to-Face	Either	No response
18	6	6	7

REPEAT CALLS

Twelve of the 37 clients surveyed had contacted the service again to seek further assistance, and therefore had more than one session with a financial counsellor.

All 12 reported that they took action based on the advice.

INFORMATION BY EMAIL AND TRIAGE CALLS

Twenty of the 37 clients were sent an email following the financial counselling session that either provided relevant information, template letters or forms, or simply a confirmation of the call and the services contact details.

Thirteen of the 37 had a short triage call when they first contacted the service, where an arrangement was made for a telephone financial counselling session. The remaining 24 clients received the financial counselling at the time of their initial contact with the service.

Twenty-eight of the 37 clients either received an email or had a triage call prior to their financial counselling session.

Six or seven of the 12 clients who contacted the service again (repeat call) appear to have received a triage call when they first contacted the service.

ANALYSIS AND FINDINGS

WHY DIDN'T PEOPLE REMEMBER THE SERVICE?

A group of related factors appeared to contribute to the small group (3/37) who said they didn't remember the service at all.

All three clients were in situations where it was likely that they needed to take a major step (for example sale of the family house or bankruptcy), but were seeking other alternatives. Therefore, they were also likely to have called a number of organisations, possibly trying to find a solution they could accept.

Recordings of these sessions indicated that these clients may have been difficult to engage with. However, a slight change in approach by the financial counsellors might have improved the outcome, for example, an approach to ensure that the client felt comfortable calling the service back at another time, even if they didn't want to accept the advice at that time. Early engagement with these callers' concerns might create efficiencies where a call can be terminated if the caller has 'turned off' and is not responding to the advice being provided, rather than continuing with advice despite indications that the advice is not being accepted or absorbed.

PRACTICAL AND CLEAR ADVICE

All 29 clients who responded to this question said that the advice was practical and easy to understand.

Some comments were:

"It felt as if the person on the other end of the telephone speaking to me genuinely cared and was actively seeking to help me."

"It was. I had already started the process of applying for hardship with various banks. MoneyHelp helped me to understand [how to put the information to the banks]."

"Yes, I got wonderful information about bankruptcy—absolutely felt good talking to someone."

"There were lots of things I wouldn't have known. The templates sent were very useful and the advice pointed me in the right direction."

"It was very good. I felt comfortable and relaxed. [The financial counsellor] really seemed to care. I felt confident to act on the advice."

A few responses found the advice easy to understand, but weren't completely satisfied:

"The information was easy to understand, but I didn't feel the template letters were useful...they were too generalised and didn't suit my needs."

"Yes, but I'd heard it all before."

"Yes, pretty easy, but I'm not computer literate so accessing all the links that I was sent was a bit tricky."

The comment about not being computer literate was interesting because this client had found the service via the internet. It possibly illustrates that some people are confident using the web, but may find other things challenging such as using links sent via email.

ACCURATE AND APPROPRIATE INFORMATION AND ADVICE

Based on the recorded advice sessions, the information provided was accurate and the advice was appropriate to the callers' personal circumstances.

WHY DIDN'T PEOPLE TAKE ACTION?

Fifty-seven per cent of all respondents clearly took action based on the advice. In a further 22 per cent of cases the clients appeared to have taken some action in relation to their situation but it was difficult to tell whether this was in response to the service's advice.

Failure to take action didn't necessarily mean that the assistance hadn't been helpful or that it hadn't contributed to some improvement in the client's situation. For example, one client who had not taken action said:

"I haven't taken action, but I might need to use the suggestions in the future. Things aren't quite as urgent as I felt they were when I called."

Another client said she hadn't taken action because she had been in a family violence situation and was in a refuge. However, she said she would like to speak to the service again.

Other reasons some people didn't take action were:

- the client got help elsewhere;
- the client didn't take action because they wanted to avoid bankruptcy and is currently managing to make payments but said "it was good advice, I just decided I didn't want to go down that track"; and,
- another client didn't take action but said "it was wonderful advice and it really helped me."

DID THE SITUATION IMPROVE FOR THOSE WHO TOOK ACTION?

The majority of callers were unable to pay bills and debts as a result of a significant drop in income so it would be unrealistic to expect that any action would completely resolve their situation.

A majority of the callers were unemployed, and would only be able to resolve their situation by finding work.

Seventeen of those who took action reported some positive impact on their situation, even if that was short term. Of the other four, two were unsure about whether the advice had helped and two were still trying to negotiate with their creditors. Some of those who didn't take action based on the service's advice also reported minor improvements either of a result of obtaining help elsewhere, or feeling better about their problem because of the advice.

One person who had made three calls to the service over two years said:

"the financial counsellors were a major factor in how I cleared just over \$39,000 in personal debt in two years. The past two years have been an extremely painful process for my family and I am able to come out the other side..."

The short-term nature of most industry hardship programs means that some clients could have benefited from a further financial counselling session if their situation hadn't improved at the end of the 'hardship' period. Some of those had made contact again. Others who hadn't made further contact, welcomed the offer of a call from a financial counsellor when this was offered at the end of the survey.

REPEAT CALLERS

Twelve of the 37 clients surveyed had contacted the service again to seek further assistance, and therefore had more than one session with a financial counsellor. All 12 of those clients reported that they acted on the advice. Eleven reported some positive impact as a result. The other client was still having problems with a failing small business.

There is a clear increase in effectiveness in cases where the client had more than one session. However, it isn't possible to separate the cause from the effect. These clients had made the second

and/or third contact/s themselves, so it is likely that clients who already felt that the advice in the initial call was likely to make a difference were more likely to contact the service again.

It is reasonable to expect that many of the clients would benefit from more than one contact. The majority of clients had been given information about industry hardship programs, and clients may require further assistance if their hardship request is rejected or they are still unemployed at the end of the business' maximum hardship period.

About 20 per cent of the survey participants accepted an offer of a further call from a financial counsellor which was offered at the time of the survey.

While not all clients need more than one session, the service provided is likely to be more effective if clients feel confident to call back if they need to. This is likely to depend on the quality of the initial session, but may also be encouraged through email contact that confirms the client number and includes an invitation to contact the service again if required.

DID EMAIL CONTACT OR A PRIOR TRIAGE SESSION HAVE AN IMPACT ON EFFECTIVENESS?

Two processes that may have an impact on the effectiveness of the service were identified and tested against outcomes in the 37 cases:

- sending information by email after the financial counselling session; and,
- a brief 'triage' session that separated the initial contact from the financial counselling session.

In some cases, the financial counsellors effectively used email to provide forms, letters and links to relevant web information. They sometimes used email simply to confirm the session. It is likely that the sending of an email to confirm the telephone conversation might help some clients recall the session and advice, and be a record of the service if the client wants to call again. Client follow-up (by phone or in writing) can improve outcomes⁷, and Consumer Action adopts this practice in relation to its public consumer legal advice service.⁸

The financial counselling service implemented a triage process in response to high client demand, where a time for a financial counselling session (usually within 24 hours) was made at the time of the initial call. However, some clients receive a financial counselling session at the time of their first call. While these clients receive a very timely service, some who received a session immediately may have benefited from a separation between their first call and their financial counselling session. It is hypothesized that benefit could occur because:

- the client is sometimes not prepared for a financial counselling session at the time of their initial call, this particularly seems to be the case if they have called a number of bodies seeking help. A session set for an appointed time might therefore help some clients focus more on the interview and advice;
- If the financial counselling session was separated from the basic collection of information, it would possibly allow for more focus (by financial counsellor and client) on the problem and options/solutions; and/or,
- the financial counsellor would be better prepared for the call if they have some basic information about the problem (which the record of a triage call may disclose).

⁷ Elizabeth Shearer, *To study telephone legal advice services for low income and disadvantaged people*, 2003 Churchill Fellow, available at: <https://www.churchilltrust.com.au/fellows/detail/2756/elizabeth+shearer> page 14

⁸ Consumer Action Law Centre, *Evaluating Consumer Action's consumer legal advice service*, October 2015, available at: <http://consumeraction.org.au/evaluating-consumer-actions-consumer-legal-advice-service/>

Matching the outcomes of the 37 cases didn't reveal a relationship between sending an email and the outcome, or whether the consumer contacted the service again. However, from the survey conversations, it did help some people to recall the service. This is a significant tool used by the service, so the use and wording of these emails should be part of any quality improvement process.

There appeared to be some correlation between those who called back for a further session and those whose initial contact was separated from the financial counselling session (they had a triage session). However, this is a small sample and in some cases it was difficult to distinguish a triage session from a short financial counselling session so the numbers are not significant.

Nevertheless, one factor that appeared to contribute to the lack of engagement by a few clients was a lack of preparedness for a financial counselling session. This might be addressed by a quality triage process. Alternatively, there could be a greater focus on the initial conversation with clients who have not had a triage session, for example by spending more time explaining about the service. It may sometimes be necessary to clarify that the client is speaking to a financial counsellor, confirm that the client wants a financial counselling session and explain that this could take up to half an hour. If the client indicated that they were not prepared for a financial counselling session at that time, they could be given the option to have the session at a more suitable time.

"SHOPPING AROUND" FOR HELP

The survey didn't specifically ask clients whether they had sought assistance from other sources. However, it appears that the three people who didn't recall the service had contacted a number of services about their problem.

One said "I spoke to a few people, no-one helped".

At least two other clients appear to have made contact with a number of services and another mentioned being contacted by a number of debt management businesses.

It is not surprising that people who are in a desperate financial situation might call around trying to find help. If the situation is grim (for example loss of the family home is likely, or the person is trying to avoid bankruptcy) the client might make calls until someone provides the answer the client is looking for, which appears to have been the case for a few of the clients. This can lead the client to contacting a 'for profit' service that, in some cases have been shown to charge high fees, and may delay some bad consequences, but can place the client in a worse financial situation.

These for-profit services have the advantage of promoting themselves as providing a quick and simple solution and promising unrealistic results. The financial counselling service may wish to consider a script that can best explain to clients some of the risks of these services. Being too negative, or dismissive, may 'lose' the client if these options are being considered, so this must be done in a way that is likely to maintain client engagement with the service.

PREFERENCE FOR TELEPHONE OR A FACE-TO-FACE SERVICE

The survey asked the respondents whether they would prefer financial counselling assistance by phone, or by meeting with a financial counsellor face-to-face. Of those who answered the question, 80 per cent said that they either preferred to access assistance by telephone (at least for their current problem) or had no particular preference. A further 20 per cent said they were satisfied with either. Those who preferred telephone assistance did so because it was convenient and quicker to access, particularly those living in remote locations or who had young children.

Those who said they would have preferred to meet face-to-face (20 per cent of those who answered that question) gave reasons such as they "like to sort things out in person", that they like to "see what's going on", that an in-person appointment would have been better due to the complexity of the matter. One said that talking about their finances on the telephone "was a reminder of debt collection calls demanding money".

On the other hand, one caller who said that they preferred the telephone had refused an offer for referral to a face-to-face service even though it appears that he may have benefited from that form of assistance given his complex issues.

A review of the files suggests that those who said they would prefer a face-to-face service were unlikely to have had a better outcome if they had seen a financial counsellor in person.

This indicates that a client preference for telephone or face-to-face may not be an indicator of whether or not a face-to-face referral is required.

This is supported by the experience the service had some years ago, when it trialled offering all clients the option of a referral to a face-to-face service. This resulted in concerns by face-to-face services that clients were presenting who could not be assisted any further than they had already been by the telephone financial counsellor. The trial was stopped because it was raising unrealistic expectations for clients and using up appointments that could better be used for other clients.

The challenge for the telephone financial counsellors is to assess, as accurately as possible, the client's abilities, emotional state and the complexity of the issues, in order to determine whether or not a face-to-face referral should be made.

Based on the 37 files that were examined, it appears that this is achieved very well by the service.

QUALITY OF THE FINANCIAL COUNSELLING SESSION

The main factor that influenced the outcome for the client was the quality of the telephone interview. Whether or not the client remembered the service, found the advice helpful, took action or was prepared to call the service again, depended on whether they were engaged in the financial counselling session and with the financial counsellor.

The provision of accurate, practical information and advice is important and is a large part of the purpose of the service. However, even if the client didn't understand some of the information, if the client feels heard and understood in the initial session, the client is more likely to call the service again to clarify information or obtain further assistance (for example all 12 clients surveyed who had called the service more than once reported having taken action based on the advice).

Whether or not the client is engaged doesn't depend entirely on the interview process. For example, the client's demeanour, confidence and expectations can have an impact regardless of how the financial counsellor responds and structures the session.

However, based on the eleven recorded interviews, including one provided by the service as an example of a quality interview, there are ways that in some cases, the format and interview techniques could be enhanced to improve outcomes.

IDENTIFYING THE CLIENT'S PROBLEM AND EXPECTATIONS

In the more successful sessions, the financial counsellor gained a clear understanding early in the session about the problem from the client's viewpoint and the client's expectations and current knowledge.

As well as helping the client to feel heard, this helped the financial counsellor to provide the most appropriate advice, and to tailor that advice to the client. For example, a client who calls seeking advice about bankruptcy needs a different response to a client who may be insolvent but fears the thought of bankruptcy. A client who has previously applied for a hardship variation will need different advice than someone who doesn't know what that means.



THE MAIN FACTOR THAT INFLUENCED THE OUTCOME FOR THE CLIENT WAS THE QUALITY OF THE TELEPHONE INTERVIEW

An important part of the assessment of any client includes:

- hearing the problem from the client’s point of view;
- understanding what the client is most concerned about;
- identifying the client’s expectations/hopes (which may or may not be realistic); and,
- understanding what the client has tried already or what advice they have heard.

SHARED CONTROL OF THE INTERVIEW

Clients are generally calling for practical advice, and they expect to be speaking to an expert who is confident and focuses on financial issues rather than personal counselling. However, if there is disconnection between the client’s perception of the problem and the financial counsellor’s questions and ‘solutions’, and if the client isn’t engaged in the conversation the value of quality practical advice may be lost.

Financial counsellors need to “bring along” clients through the session, enabling the clients to feel that their concerns are being heard and feeling that the questions being asked of them are relevant to their problem.

Clients should also remain in control of what problem is being discussed. While it is appropriate to offer advice in relation to all debts even if a client calls only about an energy bill, if the client only wants advice about one thing the financial counsellor should take care not to provide unwanted advice.

Financial counsellors often need to do a full financial assessment to provide assistance. Some clients will feel these questions are quite intrusive, so it’s important to explain the process to the client and why a financial assessment is necessary. Clients should be asked if they consent to this, rather than simply having the questions put to them.

Some issues identified in the less successful interviews included:

- asking a list of questions about income, assets and liabilities without giving any explanation as to why these questions are being asked;
- undertaking a complete financial assessment where this may not be necessary to respond to the client’s problem or, without clarifying whether this is what the client wants;
- proceeding to undertake a full assessment and advise on an issue that the client hasn’t asked about without asking the client, or suggesting, that the financial counsellor could help with other issues;
- rapidly asking a list of questions without listening carefully to the answers;
- interrupting the client too frequently;
- expressing a view about the client’s circumstances without demonstrating an understanding of ‘where the client is at’.

GIVING BAD NEWS

Some clients call asking about bankruptcy, or say they're about to sell their home. Others are in financial crisis and may need to consider serious options such as these, but haven't yet arrived at that point. Financial counsellors should take care in using phrases such as "your situation is unsustainable", or "you're probably facing bankruptcy" or "you will probably need to sell your house" without a clear idea of what the client is thinking. If the client hasn't realised that these options may be inevitable, the client may simply "turn off" as a few clients did. A clear understanding of their expectations should indicate how this is approached. Questions such as "have you thought what you might do if you don't find a job in the next six months?" or "I'm not sure you're at the point right now, but I can explain how bankruptcy works if you're interested" may lead into these discussions.

One of the risks for these clients is that they may be unwilling to accept 'bad news', and instead approach 'for-profit' services that make unrealistic claims and might make the client's situation worse in the long run. It is likely that a client who is too optimistic may not completely accept the inevitable after a half hour session, and it is better that they feel confident to call service again in the future.

JARGON

While the financial counsellors didn't make much use of obvious jargon, the clients may not understand some of the terms they did commonly use. For example, for a person calling into a service for help, terms such as "intake" or "triage" are probably not helpful. These terms should only be used internally. For a client who is unaware that they can apply for a hardship variation, even the use of the term "hardship" as in "have you applied for hardship?" may be unclear. Some clients may need a clear explanation, for example "did you know that you can apply to the bank to alter your payments because you're in hardship?"

Even when not using jargon, some terms such as "income and expenditure" or "Financial Ombudsman" may not be everyday terms for the client. Some explanation, or even just slowing down over those terms, could improve client understanding.

RANGE OF OPTIONS

In some cases, there are a range of different options for the client. One risk on the telephone is that the financial counsellor mentions a number of actions the client could take during the conversation, without clearly summarising these at the end. An extra five minutes to clearly go through all the options mentioned could avoid client confusion.

CONCLUSIONS

The service provides valuable assistance to low-income and disadvantaged people that is accurate, appropriate for the individual's circumstances and which improves financial outcomes for these clients and their families. Clients who are able to act on their own (without seeing a community-based financial counsellor) are appropriately identified and provided with advice that they act on.

All the clients surveyed were on low incomes. Most clients were in receipt of a Centrelink income and most had experienced a life event that had an impact on their financial situation. All but one client called because they were unable to pay bills or debts.

The majority of clients who made contact with the service took action based on the advice provided. For those who took action based on the advice, there was at least some improvement in their financial situation. Even some of those who didn't take the action reported that the service had helped them. Clients generally found the advice practical and easy to follow.

The preference each client had for the method of assistance (telephone or face-to-face) had no correlation with the outcome of the telephone advice. All clients (except one who refused the offer of a referral to a face-to-face service) were assessed by the financial counsellor as not requiring such a referral. The most effective way to determine whether the client needs a face-to-face service is an assessment by the telephone financial counsellors. Based on the 37 files that were examined, it appears that this is done well by the service.

The main factor that clearly influenced the outcome for the client was the quality of the interview (interview structure and techniques), and to a great extent, whether the client engaged in the interview.

While client engagement depends on a number of factors (some which are beyond the control of the financial counsellor) the evaluation identified some aspects of interview structure and technique that were likely to impact on client engagement and the effectiveness of some of the interviews.

The introduction of a more formal process for ongoing quality improvement has been recommended. Detailed recommendations have been provided in relation to interview structure and techniques.

THE MAJORITY OF CLIENTS WHO MADE CONTACT WITH THE SERVICE TOOK ACTION BASED ON THE ADVICE PROVIDED. FOR THOSE WHO TOOK ACTION BASED ON THE ADVICE, THERE WAS AT LEAST SOME IMPROVEMENT IN THEIR FINANCIAL SITUATION. EVEN SOME OF THOSE WHO DIDN'T TAKE THE ACTION REPORTED THAT THE SERVICE HAD HELPED THEM.

RECOMMENDATIONS

1. The service should review/develop and implement processes for ongoing quality improvement and embed them into the regular work of the service. In particular, these processes should focus on:
 - a. monitoring the quality of the financial counselling interviews; and,
 - b. following up some clients in a way that improves the quality of the service for the client and, at the same time, provides some information to the service about outcomes.
2. The service should develop a checklist for financial counsellors to help structure the interview, for the purpose of monitoring interview quality and to help financial counsellors to plan and analyse their own interviews. The following factors which were identified by the evaluator as having an impact on interview quality could be included in the checklist.

GENERAL

3. Clearly explain what the service is in the triage calls (a script may need to be developed for this) and give the client some idea of what to expect from a financial counselling session.
4. If there has not been an earlier triage call, and unless clearly unnecessary, explain what the service is, that the person is speaking to a financial counsellor, and clarify that the financial counsellor is prepared to work through the issue with them now if the client is prepared. If the problem is complex, or if the client sounds hesitant, consider making a time later on for a financial counselling session.
5. Ensure that the financial counsellor understands, and confirms, what the problem is from the client's point of view and what the client expects from the service.
6. Ensure the financial counsellor is aware of any other assistance or advice the client has received and the level of the client's knowledge and understanding.
7. Where indicated, the financial counsellor should be prepared to stop the interview and check whether the financial counsellor understands the problem and the type of assistance the client is seeking.
8. Before seeking information that is not directly relevant to the client's concerns, the financial counsellor should explain why it is necessary to do a full financial assessment. For example, "In order to give you advice in relation to your credit card problem, I need to get a general picture of your overall financial position—do you mind if I ask you some questions?"
9. The first ten minutes of the first financial counselling session is crucial for some clients. During the first part of the interview the financial counsellor should be satisfied that:
 - a. the client understands what 'MoneyHelp' is
 - b. the financial counsellor understands the problem from the client's point of view
 - c. the financial counsellor knows whether the client wants to focus on one issue or whether they are happy for the financial counsellor to work through their entire financial situation with them (of course the financial counsellor may be limited in assistance they can provide if they don't have overall view of the individual's circumstances).
 - d. the client wants a financial counselling session.

COMPLEX, MULTI-DEBT MATTERS

11. Where there are a number of debts and a number of options and consequences consider offering a call (the following day) to go over the advice again. Alternatively, a detailed email may be required.

BAD NEWS

12. If the client's situation is dire, and sale of assets or bankruptcy may be inevitable, the financial counsellor should focus on engaging with the client and understanding how the client sees the situation before offering an opinion. For example, the financial counsellor could start a discussion by asking "have you thought about what you might do if you can't get your debts up to date?", "Is sale of your home an option you have considered?"

COMMERCIAL 'DEBT HELP' BUSINESSES

13. Develop a brief script to warn clients who are likely to seek help elsewhere about commercial services that may appear to offer a better solution, but can be expensive and could leave the client in a worse position.⁹

SUMMARISING ADVICE

14. The financial counsellor should summarise the advice clearly at the end of the session. The client should be asked if they are writing the information down. Consider putting dot-points in an email unless advice is simple and straight forward. Consider asking the client if they have any questions and give them a little time to think of any questions before ending the call.

⁹ See <http://consumeraction.org.au/debt-vultures-in-the-spotlight/>

CONTINUOUS IMPROVEMENT

HOW CAN THE SERVICE MONITOR QUALITY?

UNDERTAKING A SIMILAR SURVEY IN THE FUTURE

A key measure of the effectiveness of the service is whether the financial counselling session/s resulted in any improvement in the financial situation for the person and/or family.

A survey of clients who haven't been referred to other services, as done in this evaluation, provides the clearest indication of service impact.

However, the survey process takes considerable time, and making the calls can feel intrusive. Some clients were happy to hear from us and some were happy to be offered further assistance. However, some didn't welcome our call.

While a similar survey sometime in the future is recommended to measure overall service effectiveness, the immediate focus should be on implementing processes for ongoing quality improvement that can be embedded more readily into the regular work of the service.

SOME SUGGESTIONS FOR QUALITY IMPROVEMENT

FOLLOW-UP CALLS OR EMAILS

The service could build in a procedure, where particular clients who are not being referred to another service are asked whether they would like to receive a follow-up call or email in a month or two (depending on the problem and the advice) to see if they require further assistance.

This is likely to improve outcomes for some clients, and information from these follow-up contacts could help to identify potential service improvements.

MONITORING CALLS AND CALL RECORDINGS

The service could monitor calls over the period of one or two days, ensuring that sessions with all financial counsellors were included. Alternatively call recordings could be used. The benefit of using call recordings is that particular calls could be chosen, for example 'self-help' advice, clients who had a second contact with the service, or the client's first call to the service.

The service could require financial counsellors to listen to a number of their own calls and rate them against a list such as that below, or financial counsellors could listen to the calls of others.

The following are some factors identified as contributing to the quality of the interview, and could be used as a guide to analyse calls:

- Did the client appear engaged in the interview? Note client's tone of voice and responses.
- Did the financial counsellor have enough information to determine:
 - whether the client had contacted other services for help
 - what advice the client had received
 - what the problem was from the client's perspective
 - what the client had tried or what solutions had been considered.
- Did the financial counsellor 'hear' the client's problem/concerns?
- Did the financial counsellor clearly explain:
 - about the MoneyHelp service
 - that the client was talking to a financial counsellor and that this was a financial counselling session in a way that the particular client could understand
 - why particular questions were being asked of the client.
- Did the financial counsellor take the lead from the client regarding whether the discussion involved the client's broad financial circumstances or just one issue of concern to the client?

- Was the right balance achieved between directing the interview in a productive way and responding to the client’s needs and concerns?
- Was the advice and options clear and correct?
- Was there a summary of the advice at the end of the interview?
- Did the client appear to understand the advice provided?
- Was the client asked to repeat the advice or ‘next steps’?
- Was the client given the opportunity to voice any concerns or questions?
- Did the financial counsellor give the client an opportunity to redirect or close off the interview if the client appeared not to engage?

CAROLYN BOND CONSULTING

CAROLYN BOND AO

Carolyn has worked in the consumer advocacy field for over 20 years, initially as a financial counsellor. Carolyn's work has focused primarily on credit and debt issues including debt collection, credit marketing and credit reporting. She currently consults on projects relating to consumer issues and the provision of legal assistance services.

Carolyn was co-CEO of the Consumer Action Law Centre for 7 years and prior to that ran the Consumer Credit Legal Service which she helped to establish in the 1980s when she worked as a financial counsellor.

Carolyn contributed to the development of the first formal financial course in Victoria. She is a past Chair of the Consumers Federation of Australia, and has represented consumer interests on a number of bodies including the Banking and Financial Services Ombudsman Board and the Commonwealth Consumer Affairs Advisory Committee.

In 2013 Carolyn was admitted as an Officer of the Order of Australia for distinguished service to the community through the protection of consumers, particularly in relation to financial services, as an advocate and counsellor and through the provision of legal assistance services.

APPENDIX 1 – SURVEY QUESTIONS

1. Do you remember speaking to us and the advice that you were given?
2. Did you act on our advice and in what way – if not, why not?
3. Was the advice easy to understand and follow (was it practical)?
4. How did you find out about MoneyHelp? (Only ask if not clearly identified on file.)
5. How easy was it to find us?
6. What has happened with your problem now? (Outcome.)
7. Apart from MoneyHelp, have you ever had any assistance from a financial counsellor?
8. Would you prefer to get this type of help by phone or would you prefer to see a financial counsellor in person? Why?
9. Do you require further assistance?