

FOR IMMEDIATE RELEASE

## Majority risk missing out on bank's help when they need it most

- **Two thirds of people in Scotland would miss out on valuable support by not contacting their bank if they faced financial difficulty**
- **One in four wrongly think banks can only offer help after payments are missed**
- **Only 7% would turn to their bank first if they were struggling with bills**

Two thirds (68%) of people would risk missing out on valuable support if they faced financial difficulty due to a lack of understanding of the help available, or misconceptions about what contacting their bank will do to their financial record, according to new research from Bank of Scotland.

Just under a third (32%) of people would contact their bank straight away if they were struggling. A quarter (25%) incorrectly think banks can only offer help with money matters after payments are missed; with almost one in three (31%) believing that their bank will not be able to help them and they are better dealing with finances themselves.

Worries about damaging credit scores also prevent some people from seeking help, with almost two fifths (37%) wrongly thinking support from their bank would automatically have an adverse impact.

**Ricky Diggins, Director, Bank of Scotland said:** "When you're struggling it can be particularly hard to reach out for help and our research shows that many people could be missing out on valuable, practical support from their bank as a result.

"Whether it's a change in personal, health, or family circumstances, it's always worth reaching out to your bank to see how they can help. Most banks have specially trained advisers, who will take the time to understand your personal situation, and find ways to support you."

### Banking on help

Despite the industry's rapid response to the pandemic and the creation of additional support measures to help customers facing unexpected financial difficulties, there remains a significant knowledge gap amongst people on the help that is available, including how to access it.

While the type of support offered depends on individual circumstances and affordability, banks can help in a number of ways, including, for example:

- **Budgeting and managing everyday spending to help get finances back under control.** Keeping track of money is always a good idea, whatever the situation. Simply tracking income and expenditure can give real peace of mind. Consider signing up for payment text alerts to get regular updates. Mobile banking will also help with money management when

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you're on the go.

- Banks can discuss a range of **payment plans** to help people get back on their feet, including the option to pay less for an agreed time. It's important to understand how changing a payment agreement may impact personal finances, and providers will be able to discuss all of the options, to find something best suited to individual circumstances.
- Taking control of existing borrowing can be simple. Bringing it all together in one place with a **debt consolidation** loan can be the first step to becoming debt-free. Benefits include one fixed monthly payment, one firm date for when borrowing will be paid off, and one fixed interest rate. Banks can also look across the financial products held and make recommendations that might be more suitable or will save money.
- If your household finances have been affected by the pandemic, a **payment holiday** could help. This is where you arrange with your bank to take a break from paying all or part of the monthly payment for a mortgage, personal loan, credit card, or motor finance. These holidays can help with short term or unexpected changes in circumstance, including job loss or unexpected costs.
- **A mortgage review** can help by looking at payment options, other available products, term extensions and more. Reviews can be held at any time, including when payments are up to date.

Since the start of the pandemic banks have been doing more to identify when people may be facing financial difficulty, and reaching out to offer support before a situation gets worse. Bank of Scotland has also been proactively contacting customers to offer support to those who may be experiencing new difficulties, such as changes to salary, an increase in bills or expenses, or a drop in savings. The bank has made over 20,000 of these types of calls; alongside nearly 100,000 wellbeing calls to check in on customers.

Banks are also making it easier for people to receive support without having to call, launching specific online Covid-19 support tools, whether they are looking for help for the first time, needing extra support after a payment holiday, or are ready to restart payments and get back on track.

When it comes to paying the bills, a quarter (25%) of people say a trusted family member would be the first port of call if they were struggling, with only 7% opting to seek help from their bank first. A tenth of people (10%) would wait until they started missing payments before seeking help from their bank.

## Top five tips

1. Don't wait until you're in difficulty – if you're worried, get in touch now.
2. Have your account numbers and details of your income to hand. You might find a piece of paper useful for making notes.

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# Press Release



3. Setting up a budget can help you see where your money's going. The more you know about your money, the easier you'll find it to get back on track.
4. You can also get free independent help and advice with money worries from many organisations, including PayPlan, StepChange and Turn2us.
5. Bank of Scotland has partnered with mental health experts Headspace for advice to help with difficult conversations about finances. Check out the series of audio meditations.

For further help and advice:

- [Bank of Scotland | Money worries | Help Centre](#)
- [Coronavirus | Help & Support | Bank of Scotland](#)

## NOTES TO EDITORS:

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2076 adults, 165 of which live in Scotland. Fieldwork was undertaken between 1st - 2nd February 2021. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

[The Big Conversation: Helping Britain Recover](#) brought together local businesses, policy makers, community leaders and experts from all regions and nations of the UK in a series of discussions. We wanted to prompt an open debate about the challenges facing the country and how we might recover. The conversation focused on seven topics, including building resilient households, chosen on account of their significance for the UK's current challenges and future prospects.

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