

Debt Solutions : Impact of Debt Arrangement Scheme and LILA

David Redpath

Money Adviser

Citizens Advice and Rights Fife

LILA AS AN EFFECTIVE DEBT RELIEF

- Allows debtors relief from their debts (social and health aspects)
- Allows clients to access mainstream credit faster than before
- Empowers debtors
- Process well understood by Money Advisers

LILA AS AN EFFECTIVE DEBT RELIEF

- 1) Application fee remains stumbling block
- 2) Encourages “revolving door debtors”
- 3) Capacity of AiB to process applications
- 4) Asset level set too low
- 5) Cost to economy and financial institutions

Assessing Effectiveness

- Depends on definition of effectiveness
- Statistics show debtors can access
- Statistics do not show those unable to access
- Effective debt relief for those in a position to access