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# Financial Inclusion amongst New Migrants in Northern Ireland

Report by ICAR in collaboration  
with Citizens Advice Belfast

JULIE GIBBS

# Runnymede: Intelligence for a Multi-ethnic Britain

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Julie Gibbs, December 2010

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# FOREWORD

As a foundation with a presence in three European countries and whose founder was himself a migrant and international businessman, we have a long-standing interest in both encouraging greater cultural understanding and helping ensuring people from different backgrounds are supported and enabled to fulfil their potential.

Among other barriers faced by new migrants, we know that they are particularly vulnerable to financial exclusion; they are more often excluded from services due to problems with language, access, affordability and stringent requirements on qualification for help. As part of our wider work in these areas, we were keen to learn more about the severity of these issues, the challenges and potential solutions to financial exclusion for this group, and importantly, to test and evaluate a practical model of intervention which could be replicated across the UK. This report by the Information Centre about Asylum and Refugees (ICAR) and the toolkit developed by Citizens Advice Belfast are the results of this work.

The findings indicate that while excellent progress has been made in financial provision for vulnerable groups such as migrants – for example the creation of Basic Bank Accounts – there are still significant gaps. The high take-up of the advice service piloted by Citizen's Advice Belfast shows just that. We should be doing more to improve capacity to respond to these demands – otherwise we all miss out – banks, local communities and businesses, regional & national economies – if new and established migrants are not financially included. Much essential capacity building within banks and community groups – those with greatest contact on financial issues with the target group – can be done through better coordination of existing services and resources. By improving coordination across banks, government agencies and community groups, practical ways of achieving financial inclusion for migrant groups at a low cost are possible. There are many ways in which this might work; information and advice sharing, improved referral systems and practical measures such as training users of financial advice services to provide advice and interpreting to those in their communities in banks and community centres.

In today's climate, when economic constraint threatens heightened racial sensitivity, it is critical that we find practical ways to support inclusion and lessen exclusion, whether social or financial, of all groups, including new migrants and ethnic minorities. It is likely that demand for financial advice will continue to rise in the coming months and years and our ability to keep people involved with and actively contributing to our economy will be crucial in ensuring we make it through without the need for further cuts or devastating bail-outs. The significant minority of migrants residing in Britain should be supported and encouraged to engage with the financial system here too rather than conducting transactions on the fringes.

The Foundation welcomes this report and urges all those who can make a difference in this area to take note of its recommendations.

**Andrew Barnett**

Director

Calouste Gulbenkian Foundation (UK)

# EXECUTIVE SUMMARY

This summary outlines a research project designed by ICAR<sup>1</sup> in partnership with Citizens Advice Belfast (CAB)<sup>2</sup> and the Centre for Economic and Social Inclusion.<sup>3</sup> The project examined the extent, form and consequences of financial exclusion amongst new migrants in Northern Ireland and develops policy recommendations to promote financial inclusion in the future.

The project ran in parallel with a practical intervention aiming to enhance financial advice to new migrant communities in Northern Ireland which has been run by CAB. Both parts of the project were funded by the Calouste Gulbenkian Foundation. This intervention has been evaluated by ICAR and the evaluation results are included in this report. A separate Summary of the practical initiative is available.

## New Migrants and Financial Inclusion in Northern Ireland

New migrants are defined for the purposes of this project as those who had come to Northern Ireland since 2000 to take up or seek employment, join family members or seek sanctuary. Northern Ireland experienced low levels of migration until 2004 when the A8<sup>4</sup> countries joined the EU and allowed nationals to move around the EU. Northern Ireland experienced high levels of population change due to migration after this time especially in the employment sectors of construction, care work and food production.

New migrants are vulnerable to financial exclusion for a number of reasons, and have been identified as being one of the most vulnerable groups to suffer financial exclusion in the UK. Reasons include:

- Being located in rural areas and having limited access to services;
- Not meeting the conditions to qualify for services;
- Not being able to afford services;
- Not having enough information about services / not understanding information due to a language barrier;
- Self exclusion from services due to cultural or psychological barriers.

Further details on new migrants and financial exclusion can be found from the project literature review available online.<sup>5</sup>

## KEY FINDINGS

### What is the Extent of Financial Inclusion amongst New Migrant Communities in Northern Ireland?

This research has found that the majority of new migrants, those with a legal right to be in Northern Ireland, have access to a bank account. However, there are a number of barriers for new migrants in accessing these accounts, and once they are opened there are barriers to accessing other financial products and services. There are also barriers to accessing advice and information.

EU migrants are on the whole financially included in that they have access to a bank account and are able to understand the system with the use of internet banking. There are a larger number of EU migrants in Northern Ireland compared to migrants from other countries and this tends to mean that there are established networks where the new migrant can go to find advice and information upon arrival. The most common way of finding advice about how to, for example, open a bank account comes through friends who will themselves be able to help or who will direct the newcomer to a service such as Citizens Advice or the Cooltura Polish Welfare Centre.

Non-EU migrants who are in high skilled employment, who speak fluent English and who plan to settle are fully financially included and have access to bank accounts, loans and credit cards and have a good understanding of where to find information and advice.

Those new migrants with no legal status, who enter with a visa which has now expired or who are refugees on low incomes are often excluded from financial services in Northern Ireland and have great difficulty in managing day-to-day financial matters. They have little access to and understanding of the UK financial services and those without status are reluctant to approach services for help and advice unless they are in their own language and trusted community groups.

Taking these factors into account, the research found four typologies of financial inclusion amongst new migrants:

- Totally Excluded
- Middle Excluded
- Middle Included
- Totally Included

## What are the Main Factors Affecting the Level of Financial Inclusion amongst New Migrant Communities in Northern Ireland and What Are the Main Effects of Financial Exclusion?

Although the research found a high level of access to bank accounts, significant barriers to financial inclusion remain.

The main barriers to accessing services for all groups are:

- Language and a lack of translation/ interpretation services in the banks and building societies. This is in terms of face-to-face transactions, meetings and written information;
- Unclear or impossible documentation requirements;
- A lack of coherent policy across the banks and building societies on who can open an account and what type of account they can hold.

The main effects of financial exclusion amongst the migrants appear to be:

- Reliance on friends, acquaintances and welfare services for help with financial services;
- Lack of information and take-up of products such as high interest savings accounts;
- Loss of benefits such as a debit card which can be used online or in the shops;
- Reliance on carrying cash around or storing it in accommodation.

## Is Current Policy Effective and Relevant for Promoting Financial Inclusion amongst New Migrant Communities?

### *Access to Financial Products*

**Banks.** The majority of migrants do gain access to a basic bank account and this can be seen as a success in terms of financial inclusion policy. However, it is not the whole picture and it is clear

from this research that basic bank accounts are limited in their scope and many new migrants found them frustrating especially in relation to cards. Access to these accounts can also be slow as migrants do not have the documentation required or have to try many providers before they are accepted. Therefore, whilst this policy is largely effective at including new migrants, it is not always relevant to their needs and more work needs to be done on improving access to bank accounts.

**Identification.** There is no legislation currently stating which documentation a bank should require to enable people to open an account; instead each of the financial institutions can decide its own policy. This leads to a clear confusion for new migrants who have a range of documentation which some banks will not accept but others will. This policy of leaving the banks to decide is not effective at promoting financial inclusion for new migrants and hinders the process of opening a bank account.

**Affordable Credit.** Whilst credit unions have been seen as an effective way for low income groups to get access to credit and loans, there were only two migrants in the sample for this research that were accessing their services. This means that in Northern Ireland the credit unions are not reaching migrant customers. Low take-up could be for a number of reasons including a lack of understanding and knowledge of how credit unions operate, a lack of visibility on the high street, lack of English skills on the part of the migrant and the fact that a credit union account may be seen as being too local and therefore risky if the migrant intends to stay for a short period of time only.

### *Access to Advice and Information*

The Citizens Advice Belfast initiative has shown that there is a high demand for advice and information from new migrants and established ethnic minority communities. This bodes well for the new policy initiatives around the 'moneymadeclear' service which is available in Northern Ireland. Finding advice on how to manage daily financial matters whilst in the UK is one of the biggest priorities for migrants entering the country. The 'moneymadeclear' service is therefore likely to be relevant to new migrants, but it needs to ensure that materials and advice are accessible to those who are not English speakers.

The evaluation of the practical initiative clearly shows that tailoring advice sessions to the needs of new migrants is effective in delivering training

and helping to resolve issues. The following are essential elements of a tailored service for migrants:

- Advisers from the same community where possible;
- Interpretation and translation;
- Awareness of the needs of new migrant groups;
- Cross referral from other migrant groups and organizations avoiding duplication;
- Awareness of products and services including welfare benefits relevant to migrant workers.

## RECOMMENDATIONS

### For Northern Ireland Assembly, Community Groups and Credit Unions

Recommendation 1: Working together with migrant community groups

We recommend a closer link-up between banks, government agencies and these community groups in terms of:

- Funding and capacity building;
- Information and advice exchange;
- Development of a multi-agency one stop service of referrals used across community groups;
- Development of an integrated website for migrants in Northern Ireland.

Recommendation 2: Advice and support for new migrants in rural areas

Citizens Advice Bureaux look into ways of funding greater provision of advice for new migrants across Northern Ireland and should:

- Develop a range of advice leaflets in the main languages of migrants in the local areas.
- Consider the role of volunteers from migrant groups who may be able to offer advice on a regular basis.

Recommendation 3: Credit unions should provide information tailored toward new migrants to encourage take-up

### For UK-wide Financial Institutions (Banks and Building Societies)

This project has shown that banks, building societies and credit unions could benefit from developing migrant specific services. We will form a working group with senior banking executives to create a series of recommendations and best practice examples which will be published separately to this report specifically aimed at the financial services sector in Spring 2011.

### For the UK Government and Associated Agencies

Recommendation 1: Development of a UK-wide Migrant's Guide to Money

This guide would be based on the successful Parent's Guide to Money leaflet to be handed out by employers, job centres and on application for the Worker Registration Scheme.

Recommendation 2: Development of basic bank accounts to better serve the needs of migrants (and other low income groups) who wish to use the accounts to pay for goods and services online.

# 1. INTRODUCTION

*'Financial Inclusion is about ensuring everyone has the opportunity to access the financial services and products needed to participate fully in modern-day society and the economy.'* (HM Treasury 2007)

Despite the quote above, it is important to emphasise that financial inclusion is not just about access to products, it is also about having access to advice and help in order to be able to understand and access products and use them in the most appropriate way.

This report brings two projects together to explore financial inclusion amongst new migrants in Northern Ireland and examines both access to services and advice and the effect that they have.

This is reflected in government policy in the area, with a long term aim of increasing the number of people with access to a bank account and access to free impartial financial advice via the new 'moneymadeclear' service.

Although migrants are not deliberately excluded from some of these policies, they are not directly mentioned either. This research aims to provide recommendations that will increase financial inclusion of migrants, with specific policy aims for migrants in Northern Ireland and across the UK as a whole.

## 1.1 About the Projects

This report outlines a research project designed by ICAR in partnership with Citizens Advice Belfast (CAB) and the Centre for Economic and Social Inclusion. The project examined the extent, form and consequences of financial exclusion amongst new migrants in Northern Ireland and develops policy recommendations to promote financial inclusion in the future. The research phases of the project are funded by the Calouste Gulbenkian Foundation.

The project also ran in parallel with a practical intervention aiming to enhance financial advice to new migrant communities in Northern Ireland which has been run by the CAB, also funded by the Calouste Gulbenkian Foundation. This intervention has been evaluated by ICAR and the evaluation results are included in this report.

## 1.2 Research Questions

1. What is the extent of financial inclusion amongst new migrant communities in Northern Ireland?
2. What are the main factors affecting the level of financial inclusion among new migrant communities in Northern Ireland and what are the main effects of financial exclusion?
3. Is current policy effective and relevant for promoting financial inclusion among new migrant communities?
4. What complimentary or alternative policies or practical initiatives may improve financial inclusion amongst new migrants in Northern Ireland (and across the UK)?

Further information on the project aims, objectives and methodology is in Chapter 3.

## 1.3 Definitions

The following terms will be used throughout this report and are defined for the purposes of this report as follows:

*New Migrant* – A person from outside of the United Kingdom or Eire who has come to Northern Ireland for at least six months to work, join a family member or claim asylum.

*Financial Inclusion* – Financial Inclusion is about ensuring that everyone has the opportunity to access the financial services and products needed to participate fully in modern day society and the economy (HM Treasury).

*Financial Exclusion* – Those without access to the services and products needed to participate fully in modern day society and the economy.

*Banks* – The term banks will be used to denote formal financial service providers including all banks and Building Societies available in Northern Ireland.

*Financial Services* – This included banks and building societies but also encompasses insurance, mortgage and other financial providers as well as Credit Unions.

## 1.4 About the Report

Chapter 2 briefly examines the background to new migrants and financial inclusion in Northern Ireland and looks at the policies in place to promote financial inclusion. It also contains evidence from meetings with key stakeholders working with migrants across Northern Ireland.

Chapter 3 gives details of the project aims and objectives and the methods that were used in the research and evaluation.

Chapter 4 is about the practical financial inclusion initiative managed by Citizens Advice Belfast and details the findings, conclusions and recommendations from the project evaluation carried out by ICAR.

Detailed research findings are then presented in Chapter 5 including a typology of financial inclusion amongst new migrants and in-depth analysis of key barriers to inclusion.

Chapter 6 brings findings from the practical initiative and primary research together to offer conclusions on the extent of financial inclusion of new migrants in Northern Ireland and provides answers to the research questions set out above.

Finally, a set of concrete recommendations are laid out in Chapter 7.

## 2. BACKGROUND

Basic financial services are taken for granted by the majority of people in the UK and are becoming increasingly important tools of modern life. Personal financial services have become progressively integrated with commerce, utilities and welfare and benefit payments, offering more suitable services and increasing savings to customers. Despite this, a significant minority of the UK population are excluded from accessing these services and suffer inflated costs and difficulty accessing other markets and services. Research suggests that financial exclusion is most common among disadvantaged groups, including ethnic minorities and migrants (BMRB 2006; FSA 2000). Consequently, financial exclusion contributes to multiple disadvantage, adding to the barriers that people face to wider inclusion in society. Tackling financial exclusion, therefore, is a question of tackling marginalisation and vulnerability as well as market failure.

There has been an increase in migration to Northern Ireland over the last decade, notably from Eastern Europe since 2004. A considerable portion of this migration is short-term and from countries of origin with no significant migration history to the region. It is difficult to discern that this new migration has manifested itself in the development of 'new communities', except for amongst the Polish population (Jarman 2007). Consequently, tailored services and support for these groups are unlikely to be readily available as provided by statutory, voluntary or community organisations and many are employed on restrictive contractual arrangements. These and other factors, such as unfamiliarity with local financial systems and processes, make new migrants particularly vulnerable to problems of financial exclusion (Atkinson 2006).

### 2.1 Definition of new migrants

This research has adopted an inclusive definition of new migrants to include not just migrant workers, but also their family members who may not be working, as well as asylum seekers and refugees. We define a new migrant to Northern Ireland as:

*'A person from outside of the United Kingdom or Eire who has come to Northern Ireland for at least six months to work, join a family member or claim asylum.'*

There are significant differences between these groups in financial inclusion. Clearly those who are not legally entitled to be in the UK are at a much higher risk of exclusion than those here legally with documentation. This research has included both groups of migrants in order to find out the risks and affects of financial exclusion on migrants whichever route they take to come to the UK.

### 2.2 Definition of financial inclusion

Although there is no one agreed definition of financial inclusion in the UK, this research has used the UK Treasury definition which states that:

*'Financial inclusion is about ensuring everyone has the opportunity to access the financial services products needed to participate fully in modern day society and the economy.'* (HM Treasury, 2007:5)

In addition to this Rahim et al. identify that financial inclusion is widely constituted of two elements which are; 1) good financial decision making (financial literacy) and; 2) access to financial services.

Khan identifies five areas which most commentators in the UK include when talking about financial inclusion: Banking, Credit, Insurance, Savings and Advice (Khan, 2008:4) and goes on to state that the benefits of being financially included are;

*'not limited to having more financial goods and services or even greater levels of income ... financial inclusion can result in enhanced life chances and personal wellbeing on top of any financial advantages.'* (Khan, 2008: 57)

This research has focussed on the five areas of financial inclusion mentioned above, although the focus was narrowed down in the original research to examine access to bank accounts, credit, savings and advice as they were all mentioned frequently during the interviews with migrants and stakeholders. Issues that particularly stood out have been given more attention in the research findings chapter below. They are; accessing bank accounts on arrival, language problems, identification issues and understanding products available. There was an extremely low take up of insurance amongst the migrants interviewed. The advice element has been tested during the

practical money advice initiative and Chapter 4 below reports on this and gives a guide to what works when providing money advice to migrant groups.

## 2.3 Financial Inclusion

UK wide financial inclusion policy was introduced under the previous Labour administration as a response to a perceived policy need to tackle wider social exclusion. The UK policy implemented by the Labour government in 2007 had the overall aim that:

*'... everyone should be able to manage their money effectively and securely, through both having access to a bank account and the confidence and ability to get the most from it.'* (HM Treasury, 2007: 11)

This can be divided into two policy aims: access to a bank account and having the education (capability) needed to use it effectively.

### 2.3.1 Access to a bank account

One of the major issues that has been addressed by government policy has been to get as many people as possible to have access to at least a basic bank account so that they can access financial services such as the use of direct debits to pay for bills and the ability to pay welfare benefits electronically.

The drive to get more UK citizens to hold basic bank accounts has been seen as a success for financial inclusion policy with only 900,000 now not having access to a bank account of any kind in 2007/8 compared to 2 million in 2002/03. According to British Bankers Association statistics 500,000 basic bank accounts are opened each year and in addition around 500,000 basic bank accounts have been upgraded to fully featured accounts since 2003 (BBA, 2009).

An IPSOS-MORI survey conducted for the Consumer Council in Northern Ireland found that:

*'Eight per cent of consumers in Northern Ireland do not have a current account or a savings account. This is four times the average of the "unbanked" adults in the United Kingdom (two per cent).* (Consumer Council, 2010)

The same report states that *"The percentage of consumers with a current account has increased over the last ten years, from 68 per cent in 2000*

*to 89 per cent in 2010. However, the figure for savings accounts has decreased over the last ten years, from 52 per cent in 2000 to 34 per cent in 2010"* (Consumer Council 2010: 27). However, merely having access to a basic bank account does not guarantee financial inclusion and many people, especially those on low incomes are still having to rely on expensive door stop lenders, paying for goods and services with cash and not having access to the more widely used services such as payment cards which are taken for granted amongst people with current style bank accounts.

### 2.3.2 New Migrant access to a bank account

For a new migrant, a basic bank account is often the first step on the ladder to becoming financially included in the UK. New migrants clearly come to the UK with a wide range of credit and financial histories. For some it may be the first time that they have come into contact with a formal financial institution (see Datta, 2007), others may be holders of multiple bank accounts in their home countries and have extensive experience of negotiating the financial system.

However, even though there are now transnational banking institutions such as HSBC and Santander, all countries have slightly different financial regulations and new migrants will have to negotiate these to gain access to the system. In the UK, money laundering regulations, for example, put particular emphasis on identification requirements which can make opening even a basic bank account difficult for those in multiple occupation housing (a large number of new migrants will be in such housing) and with no bills in their own names.

Most migrants will overcome these hurdles as they settle into the UK, however the hurdle mentioned most in this research and others (Mawhinney 2009, Atkinson 2006 and Datta 2007) that is much more difficult to overcome is the language barrier. For those migrants who come to the UK with little or no English skills opening a bank account is achievable providing they have the correct documentation, but understanding what that account can offer them is difficult.

This research found that migrants in this group turned to friends, colleagues or local cultural groups for help in opening accounts and attending to immediate problems, but had little knowledge of the type of account that they had or what it could

do for them. As these migrants settle into life in the UK and become eligible for a current account which has the potential to offer more financial services as well as access to credit and savings accounts, their potential to understand their eligibility to move forward in their financial affairs is vitally important. Many commentators have argued that merely having access to a basic bank account does little to financially include a person in the long term. Khan, for example, argues that basic bank accounts may lead to people being 'underbanked' instead of 'unbanked' and claims that;

*"Basic bank accounts are a good first step, but it is also important to consider how to encourage or incentivise people to upgrade these accounts"* (Khan 2008:26).

Learning to speak English is often a long and protracted process especially for those migrants who are working 6 day weeks and who are living in multiple occupancy housing with fellow migrants speaking their national language. This language barrier is then likely to prevail for a long time after the migrant has arrived in the UK. Even when new migrants do enter the UK with a high level of English language skills the different system of banking and the different terminology may make it hard for them to understand their bank accounts.

As Atkinson points out, even those who have an excellent command in English can feel unconfident in talking about financial concerns (Atkinson 2007). The language barrier may be further protracted for those migrants living in rural areas with little access to or choice of banks which are likely to only be open during the working day. (See Consumer Council 2010). There is little research evidence of migrants use of internet banking which has the potential to overcome some of these barriers and further work is needed in this area to investigate the potential of internet banking for migrant groups.

In summary, as Rahim et al. point out:

*'... the vast majority of new migrants in the UK have low incomes and are more vulnerable to financial exclusion because they face difficulties in accessing and using financial services that are due to supply and demand factors.'* (Rahim et al 2009:7).

These supply and demand factors can be listed as shown in Table 1 at the top of the next column on this page.

Supply Side	Demand Side
Poor physical access to banks	Distrust of banks
Lack of suitable products that meet migrant needs	Preference for informal financial arrangements
Strict identification requirements	Low previous use of financial services
Failure to translate information into different languages	Low levels of financial literacy
Discrimination	Difficulty in understanding English
High bank charges	Experiences of and expectations of discrimination
Unsuitable banking service hours	Country of origin/ ethnicity

### 2.3.3 Financial education

The policy for financial education of consumers is set out in 'Financial Capability: the Governments Long Term Approach' which was published in 2007. Rahim et al. (2009: 37) point out that the document sets out three long term aspirations which are that:

- All adults in the UK have access to high quality generic financial advice to help them engage with their financial affairs and make effective decisions about their money
- All children and young people have access to a planned and coherent programme of personal finance education
- A range of government programmes is focussed upon improving financial capability, particularly to help those who are most vulnerable to the consequences of poor financial decisions.

This has led to a range of policies including a £6 million fund in 2007 for the then Learning and Skills Council to pilot money advice outreach services and a range of initiatives across other government departments aiming to educate specific groups of people in financial management. In 2003 the Financial Services Authority launched their 'National Strategy for Financial Capability' which states that:

*'Financial capability means being able to manage your money, keep track of your finances, plan ahead, make informed decisions and stay up to date about financial matters.'* (FSA 2009)

Further to this a 2008 report by the Runnymede Trust looking at financial exclusion and ethnicity stated the importance of financial capability:

*... being financially capable is a basic requirement for financial inclusion.'* (Khan 2008:15)

The government also introduced and funded a Financial Inclusion Taskforce formed in 2005 to monitor government financial inclusion objectives and make recommendations for policy action. The taskforce is made up of a number of financial inclusion experts and researches financial inclusion issues providing evidence for the knowledge base of financial inclusion in the UK. The taskforce is a part of HM Treasury and has played a major role in the success of the increased uptake of basic bank accounts.

More recently, in March 2010 a new Financial Services Bill was passed which contains the aim of providing better information and support for consumers including the launch of a new service provided by the specially formed Consumer Financial Education Body titled 'moneymadeclear'. Money made clear is a comprehensive service with a telephone advice line and web pages containing various guides to bank accounts, credit and money management. This is all for free and is designed to be independent of any financial institution.

In May 2010 the Labour government was replaced by the Conservative / Liberal Democrat coalition and to date their financial inclusion policies have not dramatically changed from the previous Labour government. The Financial Inclusion Taskforce will continue to exist until April 2011 and the Consumer Financial Education Body is also set to continue its work on financial education. The focus then has very much stayed in the financial education arena and this looks set to continue in the current austere financial climate.

### **2.3.4 Financial capability and new migrants**

New migrants are not specifically targeted in the financial capability policies described above. The barriers to accessing bank accounts may also hamper a new migrant's financial capability, especially in terms of language barriers. In a recent report, Mawhinney presents research

evidence from a project examining Black and Minority Ethnic people's ability to access money advice. Mawhinney finds three sources of financial advice for these groups: Financial Institutions; Community Sector and Friends/family, noting that:

*'A lack of English language skills inhibits both recent migrants and longer established BME people from fully communicating with, understanding and taking up those elements of financial advice and other services that are currently on offer.'* (Mawhinney 2010:3)

The research also noted that trust is a major issue for BME groups who are more likely to trust someone giving them advice from their own community in their own language than someone from an outside body. This includes interpreters in banks, where a number of banks in areas with a high population of BME people had employed interpreters which had a positive impact on people's relationship with the bank (Mawhinney 2010).

Another general initiative to help with financial capability is the 'Parents Guide to Money', a booklet designed for every new parent and given out by midwives with information about financial planning, a guide to budgeting and saving for the future. This was evaluated positively in May 2009 and was found to be particularly effective for new parents in vulnerable groups, including increasing knowledge and confidence amongst low income and BME groups (BMRB, 2009). The parent's guide to money is available in English and Welsh only and is likely to be difficult for those new migrant parents who speak little English.

A number of initiatives designed to assist low income groups with saving money for the future such as the Savings Gateway have been scrapped by the coalition government in the June 2010 budget. Although there were a number of conditions on the Savings Gateway scheme that meant migrants, especially those from outside the European Union would have been excluded, all migrants who give birth to a child whilst in the UK will be affected by the announcement that the coalition has also stated that they will cease to add government money to the Child Trust Fund in December 2010.

New migrants looking to access financial education may then be hampered in a number of ways. Language is the obvious barrier which makes understanding financial matters difficult or impossible. Access to services such as the money

advice lines run by CFEB who offer an interpreting service through Language Line is one option; however migrants are often unaware of such services unless they specifically ask an existing service for help and get referred. Finding the time to access financial training sessions is also likely to be low down on the priority list of a migrant working 6 days a week. The Citizens Advice Belfast practical initiative described in Chapter 4 did however find demand for their money outreach sessions and these included financial education training sessions. Services can therefore be tailored to fit migrant needs, but the extra costs of providing them in other languages is a clear issue in these financial times.

## 2.4 Advice Agencies and NGOs

There are many other agencies offering direct financial advice and assistance to migrant groups. Citizens Advice Bureaus across the UK deal with many migrants and offers financial as well as generic help to them. A range of leaflets are available on the Citizens Advice web pages in Northern Ireland<sup>6</sup> include fact sheets for migrants on rights and financial information such as dealing with debt available in a range of languages including Chinese, Polish, Portuguese and Lithuanian. Advice NI<sup>7</sup> is another free to access advice service operating from Belfast and it also has versions of the web site available in the languages above. The Law Centre for Northern Ireland<sup>8</sup> also has a range of booklets on migrant worker rights on its web pages. The Consumer Council<sup>9</sup> which is mentioned in more detail in the section below also has a range of publications for migrants online in different languages.

Migrant organisations exist across the United Kingdom and offer support to migrants on a wide range of issues, usually in their own languages and in local community centres. These organisations may provide specialist sessions on financial guidance or generic training on financial capability, or they may refer migrants onto other services in the area. These organisations are often the only place that migrants go to get advice as they trust the advisers who are a part of the community or who are familiar with their cultural background and language.

## 2.5 Banks and Financial Services

Banks themselves have a number of initiatives under the financial inclusion agenda and they work across the UK to offer excluded and vulnerable groups better access to their services. These groups include those on low incomes, disabled customers, single parents and ex offenders, although they do not currently include migrant customers. Some banks do offer a range of information leaflets in different languages, and have specific accounts for migrant customers such as the HSBC Passport account. However, these accounts tend to have a charge associated with them and are not generally accessible to low income migrants who are only able to access a basic account.

## 2.6 Financial Inclusion in Northern Ireland

Whilst the Northern Ireland Assembly has no direct control over immigration legislation, new policies do reflect the changing diversity in the population, most recently with a consultation document outlining a 'Programme for Cohesion, Sharing and Integration' which states that:

*'Immigration matters have substantial implications for not only Government here – as service deliverers but also for people living here under immigration control. Consequently these issues are a legitimate concern of the Executive.'* (NI Executive 2010: 1.12)

The document goes on to state the importance of new migrants to the wider society of Northern Ireland:

*'The arrival of people from across the globe offers the potential to change the context within which the divisions of the past have remained. It provides the opportunity for us to develop a better future for our "traditional" sections of the community and to integrate new arrivals into a more cohesive society.'* (NI Executive, 2010: 3.3)

As well as developing a policy around cohesion, Northern Ireland also has a Race Relations Strategy and a Migrant Workers Strategy.

Whilst there is no specific financial inclusion policy covering Northern Ireland, there are a number of initiatives which have been launched, mainly in the area of financial capability and focussing on getting people out of social exclusion through financial management. One example of this is

that all school children in Northern Ireland are now taught money management as a part of the curriculum which has included the training of teachers.

The Consumer Council in Northern Ireland has responsibility for providing people with the skills they need to manage their money. The council claims that they *“do this by developing policy, carrying out research and running information campaigns on financial capability, inclusion and financial markets such as banking and insurance.”*<sup>10</sup> This includes the management of a Northern Ireland Financial Capability Partnership which is funded by CFEB.

Whilst migration into the UK as a whole has remained high across the last decade, Northern Ireland has experienced significant population change as a result of migration. Prior to 2004 population growth across Northern Ireland was at a rate of 0.4% each year but this increased to around 1% per year between 2005 and 2008. Migrants are now working in industries across Northern Ireland especially in the food processing, agricultural and construction sectors, in fact Jarman states that:

*‘In overall UK terms one in thirty A8 migrants has obtained work in Northern Ireland, but in three sectors, food processing, construction and manufacturing around one in ten A8 migrants working in the UK is based in Northern Ireland.’* (Jarman, 2005: 8)

A recent report by the National Children’s Bureau Northern Ireland highlights the change in the population of Northern Ireland in the past 10 years stating that:

*‘The composition of Northern Ireland society is in a process of rapid change as migration of people into Northern Ireland increases. As confidence in the peace process has developed with the expansion of the European Union, more people are moving to Northern Ireland than ever before.’* (Geraghty, 2010: 1)

Migrants move to Northern Ireland for a wide range of reasons, with most come to work or join family members who are working. Rahim et al. report that:

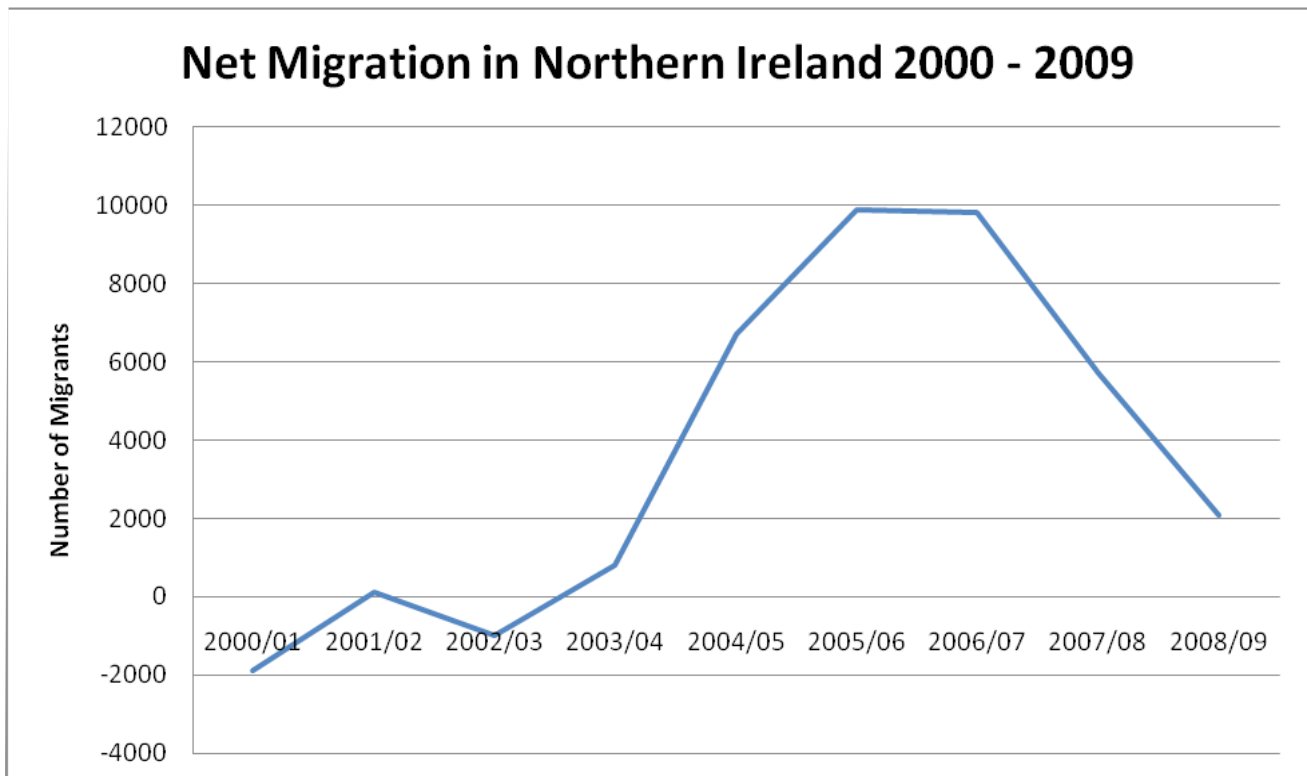
*‘Pull factors or reasons why migrants are attracted to Northern Ireland include: opportunities for earning a higher salary and for career development, a better standard of living, and the active recruitment process for specific occupations.’* (Rahim et al., 2009:19)

According to the Northern Ireland Statistics and Research Agency (NISRA) migration statistics, there were around 23,500 people coming into Northern Ireland between July 2008 and June 2009 which was less than in the previous three years. With 21,400 people leaving the country in the same period, net migration was 2,100 (NISRA 2010). In comparison the UK as a whole received 562,000 people in the same period (ONS 2010). Across the UK population growth has been highest in Northern Ireland and England in the year 2008/2009 and in Northern Ireland this is accounted for mainly by migrants coming to work (ONS 2010).

### **2.6.1 Demographic characteristics of new migrants in Northern Ireland**

The migrant population in Northern Ireland expanded after the so called A8<sup>11</sup> countries joined the European Union in 2004 allowing workers from these countries ‘free movement’ to come to the UK and find employment without restrictions other than applying for a workers registration document. All workers have to apply for a national insurance number when they begin work and this provides some statistics on the numbers of migrant workers in a given area. It should be noted however, that migration statistics are patchy and difficult to gather as there is no one systematic way of counting people as they enter the country and settle into the community (Rahim et al 2009).

Evidence suggests that the number of migrants in Northern Ireland peaked between 2002 and 2007 with a larger increase after 2004 (NISRA 2008). The 2009 statistics however show that this trend is now starting to decline, with the number of national insurance numbers issued in Northern Ireland declining by 8% between March and August 2010, and a decline in A8 national registrations of 35% between 2008 and 2009 (NISRA August 2010). There has been little research as to why people are leaving Northern Ireland, or where they are going, however the current economic recession suggests that migrants who are losing their jobs are either returning home or going elsewhere to look for work. Graph 1 below shows the net migration to Northern Ireland between 2000 and 2009.

**Graph 1: Net Migration to Northern Ireland 2000 - 2009**

Although there are migrants from a wide range of countries in Northern Ireland, in recent years the new migrants tend to have come from Eastern Europe, with Poland, Latvian and Lithuanian nationals being the largest groups registering under the workers registration scheme in 2009/10 across the UK (ONS 2010).

Although new migrants tend to spread across Northern Ireland, population growth is particularly high in the Dungannon and Craigavon areas which have the largest number of meat and food processing factories and are home to a large number of new migrants (NISRA 2010).

As a part of this research, ICAR interviewed 15 individuals who work closely with migrant groups across Northern Ireland.<sup>12</sup> This has enabled a picture to emerge of the current situation 'on the ground' for new migrants.

It is clear that different areas of Northern Ireland have different patterns of migration and that some nationalities were particularly likely to settle in certain areas. For example, whilst there is a fairly even spread of Polish migrants across the country (with the largest concentration in Belfast), there is a small but distinctive community of Portuguese migrants settled in the Portadown area. The most

commonly mentioned nationalities were Polish, Chinese, Lithuanian, Latvian and Portuguese.

Migrants outside of Belfast were most likely to be working in the meat and food processing industry or construction, although this work was diminishing at the time of the interviews due to the recession. Several stakeholders commented on the relative stability of jobs in the food processing sector during the current recession. However, migrant workers are in every sector in Northern Ireland and not always in low paid positions (see also Jarman 2007). Sometimes job types can be distinguished by nationality, for example the Chinese and Indian migrants are likely to work in the restaurant trade, Filipinos in the health service and Portuguese in meat processing.

There was an agreement amongst stakeholders that more male than female migrants come to Northern Ireland and that they are often single. However, this is not borne out in the migration statistics which show a roughly equal gender mix amongst migrants (Rahim et al 2009). If the men have families they tend to come and join them in Northern Ireland and settle into the community, attending local schools.

Across agencies the main problems for migrant workers were (in no particular order);

- Housing and employment rights
- Understanding benefits entitlements and filling in forms to claim
- Lack of English language skills
- Destitution due to unemployment or lack of legal status
- Health and access to a GP

## 2.7 Summary

Financial inclusion policy in the UK focuses on low income groups with the accessibility of basic bank accounts being the key government policy to get these groups on the ladder to being financially included. There is no mention of migrants per se in these policies. Migrants clearly have a differing set of needs to other low income groups including a lack of knowledge about the UK financial systems and a possible large language barrier. Migrants' transient position also makes them vulnerable to a lack of take up of financial products which could enhance their chances of integration into UK society and improve their future financial prospects.

Migration to Northern Ireland has been significant since 2004 with a surge in migrants coming to the country from Eastern Europe. These migrants are often working in rural areas with long hours and have little access to the traditional banks during working hours. Their access to financial services such current accounts, savings accounts and credit is limited and furthering such access could greatly enhance their inclusion into Northern Ireland society. Whilst financial inclusion and capability policies have the potential to assist new migrants to become financially savvy in the UK they must be tailored to migrant's specific needs if this vital section of the population are to be fully included.

## 3. RESEARCH METHODS

The project has involved a range of methods which are described briefly in this chapter.

### 3.1 Aims and Objectives

The central aim of this research is to identify the main issues affecting financial inclusion amongst new migrant communities in Northern Ireland and explore strategies for addressing these issues. From this principle aim emerge the following objectives:

- Scope the extent of financial inclusion amongst new migrant communities in Northern Ireland;
- Assess the causes and effects of financial exclusion and the barriers to greater inclusion;
- Explore the efficacy of formal financial products for this group and the use of alternative informal financial services amongst migrant communities;
- Evaluate the relevance of existing financial inclusion policies, including initiatives specific to Northern Ireland and the UK Treasury's Financial Inclusion Action Plan 2008-11, for the particular situation of new migrant communities;
- Explore complimentary or alternative policy approaches and practical initiatives to address the main issues of financial inclusion as identified;
- Provide evidence on the issues of financial inclusion amongst new migrants applicable to the UK more generally and develop a pilot working model for the financial inclusion of new migrants.

### 3.2 Methods and Fieldwork

This project has been managed in two parts running in parallel, firstly research into the direct experiences of new migrants and secondly an evaluation of a practical initiative aiming to promote financial inclusion for new migrants run by Citizens Advice Belfast.

#### 3.2.1 Research

The research side of the project commenced in November 2008 with a comprehensive literature review<sup>13</sup> undertaken by the Centre for Social and Economic Inclusion. A series of meetings and

discussions with stakeholders in Northern Ireland were held in early 2009. These meetings not only gave an insight into current issues for migrant workers, they also provided contacts for the interviews.

Sixty four face-to-face interviews with new migrants took place across Northern Ireland and these were conducted by the ICAR team with the assistance of interpreters where necessary. A topic guide was followed during the interviews which lasted for around 45 minutes. Migrants interviewed were given £20 for their time.

Migrants were recruited through the stakeholders where possible and then through snowballing as the research went forward. It should be noted therefore that the migrants that were interviewed were from a broad range of backgrounds, nationalities and immigration status.<sup>14</sup> All interviews were tape recorded and transcribed by the research team.

#### 3.2.2 Evaluation

A range of methods were used in the evaluation including:

- A review of documents;
- Monitoring of the data collected by CAB;
- Interviews with service users, project staff; and with representatives from key partner agencies, including referral agencies

A monitoring and evaluation framework was developed in collaboration with Citizens Advice Belfast before the project began to inform the development of its activities.

Two rounds of interviews were conducted with service users: the first were in depth interviews conducted face to face in September 2009 and the second were shorter follow up interviews conducted over the phone in March-April 2010. Users represented the following nationalities: Polish, Lithuanian, Latvian, Indian and Filipino. Ideally we wanted to interview the widest possible range of users in terms of nationality, gender and age, also ensuring that we covered sufficiently users assisted by both advisers. The purpose of this was to capture information from users who might potentially have had different experiences based on their social and demographic attributes.

Time constraints and availability of users only allowed interviews with 3 males and 11 females on the first round of interviews.

On the second round users were interviewed by telephone, with 4 of the original interviewees from round one. This was below the original target of interviewing 6 users on the second round, however it proved impossible to trace some respondents and some did not want to take part.

Interviews and meetings with project staff were held on September 2009 and also as a follow up in March 2010. Phone interviews with two referral organizations were also conducted.

The initial interviews with service users constituted the baseline data against which the outcomes were evaluated with the follow up interviews. Although the data provides in-depth insights into the perspectives of service users from five country-of-origin living in Belfast, generalisations cannot be made from the data to the whole target population of this practical initiative.

The interview process followed ethical standards approved by City University's Research Ethics Committee.<sup>15</sup> Client data was systematically collected by CAB using their Case Recording System database, assigning a separate project code for this Financial Inclusion initiative.

For the qualitative users interviews (in both rounds) one topic guide was used uniformly with all interviewees. On the second round of interviews the topic guide was shortened to focus on indicators of change (impact).

# 4. WHAT WORKS IN PRACTICE? EVALUATION OF A CITIZENS ADVICE BELFAST INITIATIVE

## 4.1 Introduction

This Chapter focuses on an evaluation<sup>16</sup> of a practical initiative that ran alongside the research project. The initiative was funded by the Calouste Gulbenkian Foundation and managed by Citizens Advice Belfast.

The aim of the project was to *'Prevent financial exclusion of new migrants and ethnic minorities by enabling them to improve their financial literacy skills and their access to financial services in Belfast.'* In order to achieve this aim Citizen's Advice Belfast recruited two Financial Inclusion Officers and a Project Administrator to develop and pilot a financial inclusion and literacy programme for new migrant communities across the greater Belfast area, with particular emphasis on new migrant workers. A range of advice provision methods was also trialled through the two Financial Inclusion Officers such as drop in and appointment services and outreach to the local community.

### Overall objectives:

1. Development of a financial literacy programme for the new migrant and ethnic minority communities in Belfast;
2. Raise awareness of the project so that:
  - Providers of advice across Belfast cross refer new migrants to the project;
  - The project and issues associated with it are known in the Northern Ireland Assembly, key government departments and statutory bodies.
3. Provide opportunities for new migrants and minority ethnic group members to become involved in volunteering.
4. Ensure sustainability for the project through a future funding strategy.

For each objective a range of activities, outputs and intended outcomes were developed and these are reported on below.

### Overall impact:

Improved financial inclusion amongst new migrants in Northern Ireland.

## 4.2 Outputs/activities and Outcomes against Agreed Targets and Objectives

The overall aim of this intervention was to prevent financial exclusion of new migrants and ethnic minorities by enabling them to improve their financial literacy skills and their access to financial services.

In order to meet this aim the project coordinators agreed and formulated 4 objectives and 7 key activities and outputs related to them. Each individual output is assessed according to the data gathered throughout the evaluation.

### Objective 1: Development of a financial literacy programme for the new migrant and ethnic minority communities in Belfast

#### Output/Activity 1.1

*Provide a drop-in, appointment and outreach service where appropriate, offering advice and information on financial issues facing individuals from new migrant and ethnic minority communities.*

The drop in, appointment and outreach services were particularly successful and far exceed their targets for the numbers of migrants seen and the number of issues dealt with. Between April 2009 and March 2010 the service saw 367 clients and advised on 1638 issues, against the original target of 250 clients and 500 issues. Advice on finance, debt, employment and in-work benefits accounted for nearly 70% of all enquiries to the service.

Issues dealt with included:

- difficulties opening bank accounts;
- difficulties accessing credit;
- having access to a debit card to book air travel and transferring money home.

A lack of English language skills coupled with little understanding of the UK financial system, meant that some clients had accrued debt or agreed to enter into burdensome contracts for consumer goods, as well as unnecessary insurances:

*“At the very beginning when I was opening the account at Barclays, they were trying to make me buy different types of insurance (for example travel insurance). They tried to make me take it and I said OK, because I will be travelling to Poland I would take it. Because I didn’t speak English I just said: ok, I’ll take it. Only after some time, somebody told me: you don’t need that, they are just trying to make you pay them to have more money.” (Aleksy, Polish)*

Even where migrants do speak fluent English, they sometimes are still not fully aware of how elements of the UK finance system work. For example, two of the migrants in the sample had access to credit cards but did not understand the need to pay the money back each month, or did not understand the interest rates when they took the card out and were now struggling to pay the money back. Sadgati is one example of this:

*“They charged me around 30% interest... so I reached the stage where I was paying £350 a month just for interest, so I really had a problem...I was paying as much as my rent” (Sadgati, Indian)*

From the interviews with the service users it was clear that financial problems are closely interlinked and that quite often an ‘entry problem’ (i.e. the initial reason for which the user approaches the service) unveils a wide range of other issues.

For instance, Alesky initially approached CAB when he got a letter from the bank due to an overpayment. This was as a result of his tax credits being suspended without him knowing.

*“Then, whenever the tax was suspended, because there was some problem, then my income was much less and I started using more than I have. So there was like an overdraft limit, the first limit was 100 and then it was increased with 500 and so I started using more than I had”(Alesky, Polish)*

It later emerged that Alesky was entitled to other benefits and that his problem could have been alleviated if he had known about this. Due to his limited ability to speak or understand English, this user was clearly facing a build up of problems.

Outreach sessions have been in great demand solicited by the Northern Ireland Polish Association and the Multicultural Centre. Since there is need for an interpreter, the sessions at the Polish Association take place three times a week, whereas the ones at the Multi-Cultural Centre were less frequent due to budget constraints for interpreters.

### **Output/Activity 1.2**

*Promote financial inclusion and the service across the greater Belfast area*

This activity has been partially successful. CAB has established a network of key contacts across the greater Belfast area who had been approached with information and materials about the service. Though a number of efforts were made to produce effective publicity materials to advertise this specific service, evidence from the user interviews and project staff suggest that the largest proportion of users were attracted to it either by word of mouth, community links or (mostly informal) referrals. For example, Alesky found out about the service through the local Polish Welfare group:

*“Some time ago, there was a meeting for Polish people where they were teaching English and that is where I met [the project Financial Inclusion Officer] (...) our kids go to the same youth club, so I also saw her there when I bring my kids. I told her I had some problems and she said come here, that is an organisation that can help you”. (Alesky, 50)*

The widespread recognition of the CAB brand and its established reputation as an independent / not for profit source of information and advice also attracted clients from the target groups who approached CAB without knowledge of the migrant specific service.

CAB contacted a wide variety of organisations by email, letter and telephone to publicise the project. In addition, a briefing article, referral form and an outline of the information session were sent out to all contacts and relevant organisations.

In terms of publicity materials, 1000 business cards were printed and 100 posters were placed in venues used by migrants. Posters were printed in a range of languages.

Effort has also been made to establish meaningful links with the various migrant communities present in Belfast. As part of the delivery of the service, CAB held several meetings with the Chinese Welfare Association, the Indian Community Centre, the Polish Association, the Irish Congress of Trade Unions, the Advice Partnerships in Greater Belfast and the

Whiterock Children's Multi-cultural Outreach Centre. Additionally, they have participated in community events in local shopping centres and promoted the service through providing an information stand with leaflets and posters at community events whenever possible. Some clients were accompanied to a bank by the Polish project worker.

Whilst knowledge of the service in community groups was high, the project could have engaged more with the financial providers to promote the service to those migrants having problems in the bank itself. This could be achieved by leaving posters or leaflets in various languages to be displayed in the bank and used by bank staff to give to migrants having difficulties. This was highlighted by service users during the interviews when they were asked how the service could reach out more to migrants in need of advice. Alesky suggested that the service should make business cards available in banks, especially 'when there is a Polish name in it', so people who cannot communicate in English know that 'a Polish speaker is available to help'.

**Outcome:**

*New migrants and members of minority ethnic communities know where they can get help and advice – e.g. they are aware of the service*

Evidence suggests that the service has reached a significant number of migrant groups and organisations that exist to help them. It is less clear however, whether the service has reached migrants who do not visit these organisations and are not involved with their community groups.

**Output/Activity 1.3**

*Provide information sessions on financial capability to new migrant and ethnic minority communities and those organisations who work with these communities*

Evidence suggests that the information sessions were delivered successfully at locations throughout Belfast including a Polish Saturday School, St Colmcille Church and in the Polish and Chinese Welfare Centres, and one is due to take place at the Indian Community Centre. Overall more than 100 people attended the sessions and the number of attendees ranged from 15 to 40. Participants in each session were given an evaluation 'feedback' form, although it is not clear that records were kept as to the number of people attending each session

or their key characteristics. It is not possible therefore to say in a concrete way how many of the information session attendees were migrants, although their location suggests a high proportion would have been.

CAB developed a training pack for this project to deliver information sessions, covering the following topics:

- Banking and Banking Services (Unit 1);
- Credit Facilities & Debt Management (Unit 2); and
- Income Maximisation (Unit 3).

The three units have been designed so that they can be delivered together or as stand-alone courses.

The feedback forms indicate that Unit 1 was seen as the most useful element of the session. All of the participants rated the trainer's knowledge as 'very good'.

**Output/Activity 1.4**

*Provide a 'money talks' service for local schools with a large proportion of migrant/minority children/young people*

This activity has proved harder to achieve than the others. This is not due to CAB itself, rather the fact that the school curriculum in Northern Ireland has a 'money talks' element and therefore schools that were identified as being in high migrant population areas did not feel that additional training was necessary.

Project staff discussed other, additional ways to target youth from migrant communities and as a result the service has established links with a Polish Saturday School in Belfast, as well as with the Indian, Islamic and Traveller youth groups through the Indian Community Centre.

**Outcome:**

*Increased availability of money management and financial information to children and young new migrants in Belfast.*

In a sense this part of the project has not been successful. However this is because of the existing money talks programme undertaken as a part of the Northern Ireland school curriculum which would encompass migrant children. So, although migrant children are not getting advice as a part of this project, they are getting it through another source.

**Objective 2: Raise awareness of the project so**

**that:**

- Providers of advice across Belfast cross refer new migrants to the project
- The project and issues associated with it are known in the Northern Ireland Assembly, key government departments and statutory bodies

**Output/Activity 2.1**

Work with local organisations to make them aware of financial inclusion needs through forums, meetings, launch event, networking and mail outs.

The project was launched at the Long Gallery, Stormont on the 25th June 2009. The launch was sponsored by Dawn Purvis MLA, Declan O'Loan MLA and Danny Kennedy MLA, all members of the All Party Assembly Group of Ethnic Minority Communities. Speakers included representatives from Calouste Gulbenkian, ICAR, Citizens Advice Belfast, the NI Assembly and the Deputy Lord Mayor of Belfast and the event was effective at raising awareness of the project in these circles. A launch of the project findings, including this report, will take place in December 2010 to follow up with this group and disseminate results.



Mick Macatavey, Chief officer, Citizens Advice Belfast. Project Launch June 2009.

As discussed above, key organisations have been contacted and involved in the dissemination of information and referral of migrants to the service. CAB staff have networked at various events and have been successful in getting organisations to refer clients avoiding the duplication of effort across agencies.

Project staff members also attended a number of events wherever it was possible / relevant to

publicise the project. In addition, CAB also attends regularly the South Belfast Round Table against Racism meetings as well as participating in the Migrants Forum organised by the Good Relations Unit, Belfast City Council, ensuring that project staff understand local issues relevant to the migrant population.

**Outcome**

*Increased awareness amongst interested networks, forums and providers of services for migrants of issues related to financial inclusion needs of the target group*

The project staff have made extensive efforts to make the project known amongst relevant providers of advice and services for new migrants in Belfast, and these efforts have shown its positive effects. However, while the richness of the relationship between CAB and referral organizations have been corroborated via interviews with some representatives of these agencies, at the time of writing, there is no systematic data gathered by the project on number of referrals made and by which agencies in the period evaluated. CAB should ensure that this data is collected routinely in future projects as it is vital for monitoring purposes.

**Objective 3: Provide opportunities for new migrants and minority ethnic group members to become involved in volunteering****Output/Activity 3.1**

*Recruit and encourage volunteering from new migrant and ethnic minority communities*

Recruitment advertisements for volunteers were placed in local community newspapers and migrant and ethnic minority newsletters in order to promote volunteering amongst this group. As a result several enquiries were made in relation to this, and it has been reported that taster sessions are being arranged. These sessions will have the objective of showing migrants the different roles that they can undertake and what is expected from them as volunteers.

As reported by CAB, it was necessary to implement this strategy to overcome specific barriers in terms of culture and volunteering ethos. Volunteering might be taken by migrants as an ad hoc task and as such they would not necessarily commit to it in quite the same way as it is normally

expected from a structured volunteer programme in the UK. As the training to be provided would be accredited (Open College Network, Level 3), it is important to ensure that enrolled volunteers are fully aware of the commitment involved.

While the point of cultural differences and volunteering ethos is a valid one, it is important not to underestimate the willingness of migrants to be engaged into these activities. Almost all users interviewed showed much interest in volunteering if they had the opportunity. In some cases, however, it was evident that issues of time availability (not having time due to work) and / or language difficulties would be harder barriers to this enterprise than the issue of interest or understanding of the volunteering ethos in the UK.

On occasions, as mentioned above the language barrier (coupled with a lack of confidence) can be a real deterrent for migrants who would otherwise be very happy to help fellow members of their communities, while learning new skills:

*"I don't know if I could volunteer, I don't know if I know the language enough and if I would be helpful, (...) but yes, off course I would like, every time you learn something new that is good."*  
(Daina, Lithuanian)

#### **Outcome**

*Increased interest in volunteering from migrants and ethnic minorities groups*

It is currently too early to say whether this aim will be successful. Whilst there has been a certain amount of interest shown by migrant groups, it remains to be seen whether this means that more migrants will volunteer in the long term. At the time of writing there are 2 volunteers from new migrant and ethnic minority communities undergoing adviser training and one undertaking administrative work. There was a further volunteer from the new migrant community who has subsequently left the CAB and moved into employment.

It is acknowledged that there may be some cultural barriers to overcome in terms of different ways of viewing voluntary work, however, as noted in the interviews, future planning should address other key barriers such as time availability or lack of confidence due to language difficulties or social / financial exclusion more broadly.

#### **Objective 4: Ensure sustainability for the project through a future funding strategy**

##### **Activity 4.1**

*Future planning for the funding of further service provision*

CAB has been exploring various sources of additional funding for the project and applied for a grant by the Office of the First Minister and Deputy Minister in January 2010, which was unsuccessful. The project has been extended to the end of June 2010 'through a mixture of re-profiling the budget and the use of additional funding from Belfast City Council and Department of Social Development'. (CAB Manager)

The project is proactively seeking to develop further services based on the experience from this initiative and others throughout Europe (One Stop Shop in Lisbon, Portugal).

Obtaining funding for the project to continue has so far had some success with a grant from Lloyds TSB to fund a project extension to December 2010 and clear efforts from CAB and a need from the migrant population. The project has been a large success in its key area of providing financial advice to migrants, whilst unsuccessful in others such as providing money advice in schools with high migrant populations. It is hoped that the clear evidence for the success and need of the core advice sessions will lead to the CAB team being able to put forward more proposals to funders so that the service can continue.

#### **Outcome**

*Actions are in place to ensure the continuation of the project*

The high demand for the service (including outreach activities requested by community organizations) and the fact that issues dealt with and number of clients seen has surpassed the initial targets demonstrated that there is a need to continue providing this service.

In light of this, project managers showed a clear awareness of the need to make provisions for sustainability of the project well before the project life time was coming to an end, and evidence indicates they have made concrete efforts to sustain it.

### 4.3 Impact

The impact of a project like this one is difficult to measure concretely for a number of reasons. The main reason is that there are no official statistics that state how many migrants there are in the greater Belfast area and it is therefore not possible to understand what percentage of the population this project reached.

Overall we can say with confidence that the service has helped some migrants to become financially included by providing access to a bank account or card, by helping to resolve issues with banks and creditors and providing help with access to benefits. The service also has clearly made an impact on the organisations who are working with migrants in the area and they are now aware that such a service exists that they can refer migrants to avoiding duplication of effort.

All of the migrants that were interviewed as a part of the project had recommended the CAB service to their friends and colleagues. This is important because the research part of this report shows that word of mouth is a very effective and popular way for new migrants to find out about services that are trusted by others in the community.

The service found that new migrants can approach the Citizens Advice and other agencies with a wide range of problems, not all of them related to financial issues. However, the service statistics show that financial advice was the top issue that migrants presented with especially in relation to bank accounts, credit problems and access to or delays in the benefit system. Financial inclusion as seen elsewhere in this report involves much more than purely having access to a bank account. For some migrants understanding the welfare systems and their benefit entitlement is the key to their financial inclusion.

Evidence from interviews carried out with service users as a part of this evaluation have shown that the service is effective at dealing with and resolving problems for migrant communities. A number of the migrants had their problems resolved by CAB writing to or speaking with providers on their behalf, however, one key element mentioned by all was that thanks to the CAB service they now fully understood the issues they had and how to avoid or deal with them in the future. CAB therefore provides a vital financial capability function in the new migrant community as well as providing immediate solutions to problems.

### 4.4 Lessons Learned

The Financial Inclusion project designed and delivered by Citizens Advice Belfast is the first service directly intended to reach new migrant and ethnic minority communities in terms of financial advice. This was achieved via community outreach activities and proactively building up the linkages between community organizations and CAB and other networks of support organizations. Specifically, has it been able to reach new migrants through direct links with community organisations and referrals from other agencies. The project has found that the key elements of attracting migrants to a service are:

- Promotion and publicity in a wide range of languages
- Word of mouth amongst migrant groups
- Advisers who are able to speak the language and who are from the community
- Access to impartial interpreters where the adviser speaks only English
- Flexibility of drop in times and sessions and possibility of telephone advice
- Face to face advice is preferred
- Excellent networking with other agencies who work with migrant groups for cross referral

The demand for the service was high and the targets set at the start of the projects for the number of clients seen and issues dealt with were well exceeded. This suggests that there is a continued and strong demand for the service and that it should be continued where funding allows.

The service also benefits other workers in the Citizens Advice agency because they have a specific service which they can direct migrants to. In other agencies and before the service began in Belfast, Citizens Advice service staff often struggle to deal with migrant clients due to the often present language barrier, setting up special clinics at specific times and employing often expensive interpreters.

The lessons learned from this project lead to the development of two recommendations for the project going forward.

***Recommendation 1: It is strongly recommended that Citizens Advice Belfast continue to support and find sources of funding to continue and expand the service.***

In particular they should;

- Continue to guide good practice by employing people from migrant communities
- Expand the financial capability workshops by having a monthly outreach in migrant community groups
- Continue to work closely with other services providing help for migrants across Belfast
- Consider employing a full time administrator for the service who could formalise reporting arrangements and data entry to ensure that records are updated systematically freeing up advisor time on administration

***Recommendation 2: Development of the Financial Inclusion project***

In developing future services for new migrants around financial inclusion agencies should follow best practice identified in this project;

- Employment of advisors from migrant communities as staff and volunteers
- Access to interpreters (a database of interpreters should be developed across Northern Ireland)
- Be aware that reporting systems should be adapted to take into account;
  - Immigration status
  - Length of time in Northern Ireland
- Clear referral process from other agencies with accurate records of referrals to help monitor progress and outreach

## 5. KEY RESEARCH FINDINGS

### 5.1 What is the extent of financial inclusion amongst new migrant communities in Northern Ireland?

This research has found that the picture for migrant's financial inclusion according to the Treasury definition<sup>17</sup> is complex. In general most of the migrants in the sample from the EU do have the financial services they need for everyday life, but do not always have access or information about services that they could use to manage their money better such as savings, credit and loans. They also sometimes struggle to open a bank account when they first arrive due to either documentation or language problems or both.

Other groups of migrants, in particular the Chinese, or those without legal rights to remain in the UK, are financially excluded from mainstream services and turn to other more risky techniques for managing their money such as using friends' accounts or more often keeping money in their accommodation when they have it. These individuals are likely to be working in insecure jobs where they are paid in cash weekly or daily and then spend the cash as soon as they have it on rent and food. This group is particularly excluded because of their lack of English language skills, the lack of any information, media or television in their own languages and their reliance on friends and acquaintances for help and support.

This research has identified four broad typologies of new migrants according to their financial inclusion in Northern Ireland.

#### 5.1.1 Typologies of financial inclusion and exclusion amongst new migrants in NI

##### Totally Excluded

This group of new migrants are mainly failed asylum seekers or those that have been smuggled into the UK with no legal status to remain. In this research these were mainly of Chinese nationality, but that is not to say that other nationals are not experiencing total exclusion as well. It is

impossible to estimate the numbers of these migrants in Northern Ireland as they are a hidden population, however out of the 64 interviews conducted for this research, 11 respondents were in this category.

By definition the totally excluded are restricted from entering the mainstream financial sector due to their immigration status and they often have little idea of mainstream services as they stay away from authority. As well as this, the totally excluded are in unstable and often part time employment and when they get paid, usually in cash every week, the money goes straight to their landlord, to gang members who they owe money to and on buying essentials with little or none left. Many of the Chinese respondents in this situation had borrowed large sums, up to £25,000 to get to the UK and were now paying that money back either to family in China or the Gang who smuggled them.

This group feel the effects of financial exclusion most keenly and this is explored further below.

*"I know nothing and I don't understand anything. I just wait and hope that the Home Office can help me and let me stay"* (Interviewee 27)

##### Middle Excluded

The middle excluded tend to come from a mixed group of migrants who are typically in low skilled and low paid employment. This includes EU and other migrants as well as refugees and asylum seekers.

The middle excluded tend to fall into three groups;

- Those with access to a basic bank account but who have very little money to put in it
- Those with very little understanding of how the financial system works due to lack of English skills
- Those who have had a visa to come to the UK which has now expired. This last group is especially vulnerable to slipping into the totally excluded category.

The middle excluded are able to access banks as they have the required documentation and are likely to have a basic account which they use only for depositing their wages and benefits if they are eligible. These respondents are typically in unstable or low income employment or are unable to work due to family commitments / retirement. People in this group tend to be from a wide range of countries and statuses including refugees and asylum seekers.

This group is generally in employment although they are in lower paid work or they are supplementing their income with child tax credit or other benefits. They have enough money to survive in Northern Ireland, but not enough to spend on luxuries like days out and holidays. This group does not always make use of features of accounts such as direct debits, preferring to use cash to pay for goods and services so that they can budget.

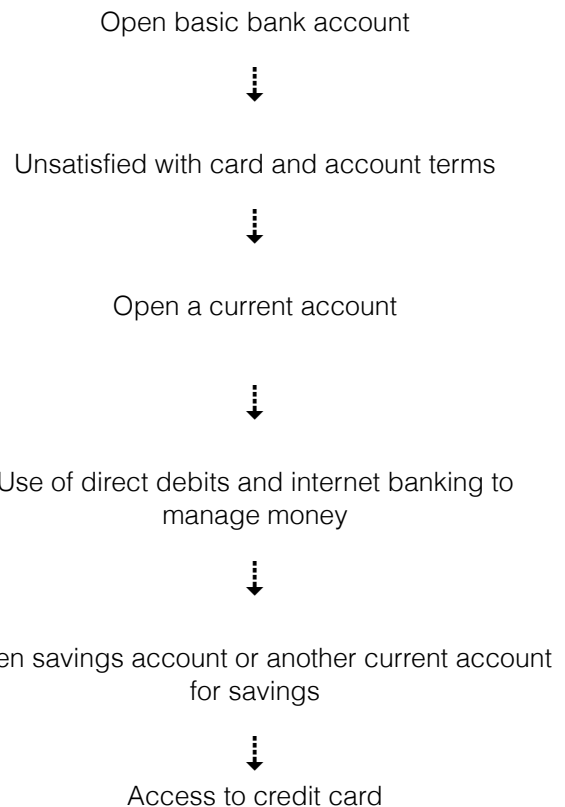
*"I prefer to have the cash in my pocket to know how much money I have, and I can plan this way, this way is easier for me because I am really short of money" (Interviewee 07)*

*"I like to go to concerts cinema, for example today starts a Belfast cinema festival, I would like to go, there are a lot of movies I am interested in, but it is impossible, £7 each movie. And you know I would like one day to have dinner outside, but it is not possible" (Interviewee 11)*

### Middle Included

The middle included are likely to be migrants arriving from European countries who have a good understanding of financial institutions with bank accounts in their home countries. This group has access to bank accounts, although they may struggle with documentation requirements and may have to open a basic account initially before moving to a current account.

These new migrants are typically shrewd financial consumers who are demanding about their bank products, wanting to have for example, access to Visa cards so that they can shop for airline tickets and goods online. The middle included tend to progress through the financial system as they settle into life in Northern Ireland as demonstrated in the following diagram.



The middle included typically have jobs lined up when they arrive in the country, or find work very soon after arriving. They are likely to have friends or family already in Northern Ireland on their arrival who are able to help them with initial loans, accommodation, advice and finding work. This group is comfortable with their wages and has enough money to get by. They are also likely to have access to credit cards after a certain period of time in the UK, as well as being savvy when it comes to savings.

This group do not see themselves as permanent settlers in Northern Ireland; however they are staying for the foreseeable future.

*"I have a bank account with Northern Bank with maestro debit card, then I have another bank account with Barclays which is a current account and I use it especially for internet shopping .... then I have an ISA savings account with Barclays and I still have opened an old style savings account which is not ISA but it is kind of like a saving account but actually I don't use it anymore but it is opened, and I have a current account with Ulster bank." (Interviewee 47)*

### Totally Included

The totally included tend to be migrants who have been in Northern Ireland for the longest period of time and who are fully settled into Northern Ireland life, with the intention to stay for good. They are often those migrants who have come to the country on working or student visas and have earned the right to stay. They are in higher paid employment or their spouses are in higher paid employment. The totally included have access to all financial services and are able to save money and get loans. Some of the totally included have mortgages in Northern Ireland.

It should be noted that this group was a smaller number of the sample than the other three groups above, and that not all migrants who have been in the country for a long period of time will be in the same situation.

The main features that aid total inclusion are:

- Highly skilled jobs
- Students doing postgraduate courses
- Spouse / dependant of one of the above
- The right to stay in the UK either permanently or long term.

Refugees who have the right to indefinite settlement are not totally included as they tend to have much lower skilled employment and much higher levels of unemployment than the high skilled migrant workers.

### Summary of Migrant Characteristics by Inclusion Typology

Totally Excluded	Middle Excluded	Middle Included	Totally Included
Single	Single or couples without children	Couples with or without children	Couples with or without children
Undocumented / failed asylum seeker	Low skilled unstable employment on minimum wage	EU migrants	Highly skilled employment
No English language skills	Little or no English language skills	Stable employment above the minimum wage	Permanent or long term status in the UK
Limited employment often below minimum wage	Unlikely to have a bank account in the home country	Access to welfare benefits	Use full range of accounts, credit cards and loans
Private renter in multiple occupancy	Access advice through community groups such as Chinese Welfare or rely on friends for help	Access to credit cards and current accounts	Likely to have mortgages and pensions
Money only for food and rent	Have a basic bank account	Save where possible	Save regularly
Likely to have debts to repay in the home country	Use cash to pay for goods and services	Good English language skills	Seek financial help through formal providers and financial advisors
Wary of mainstream services		Have access to bank accounts in home country	
Access advice only through community groups such as Chinese Welfare or rely on friends for help		Access advice for complex benefit or employment issues only	

## 5.1.2 Financial Providers

A number of banks and building societies were mentioned by the new migrants in the research. Clearly, there was a high take up of accounts in the Irish Banks; Ulster Bank, Northern Bank, Bank of Ireland and First Trust. HSBC was also a popular choice perhaps because of its international recognition and the fact that it had a Chinese speaker in the Belfast branch. The other most frequently mentioned banks were Halifax, Abbey (now Santander) and Woolwich (now part of Barclays).

Two out of 64 migrants in the sample were using Credit Union accounts. This is a surprising finding because of the high take up of Credit Union accounts in Northern Ireland and the fact that they may offer preferential terms especially in relation to savings and loans to low income groups.

## 5.2 What are the main factors affecting the level of financial inclusion among new migrants communities in NI and what are the main effects of financial exclusion?

For any individual to be fully financially included they will need to have a range of skills and understandings about how the financial system works and how it can benefit them. For example, those who do not understand the features of a bank account fully and do not therefore use direct debits to pay their bills may pay a penalty with utility companies for paying in cash. They have access and are included in the sense that they have a bank account but they do not have the knowledge required to make full use of it. They are not financially excluded as they have access to a bank account, but they are not fully included either as they do not have the ability to manage it fully.

Factors affecting levels of financial inclusion then are complex and include both education, knowledge and ability to make full use of the service as well as access to them. Migrants often have an added complexity in that they may not be able to understand or speak English, will not be

familiar with the way that financial services work in the UK and may be looking for accounts which will not only allow them to deposit money, shop online for tickets and save but also send money back to their home country easily and with minimal charges.

Writing in 2003, Regan and Paxton stated that when thinking about financial inclusion *“it is not just about access to products but also the quality of engagement with those products and the need for individuals to develop skills and confidence to make informed decisions”* (Regan and Paxton 2003:1). This research has reiterated this statement. Whilst some migrants struggle to open a bank account, especially when they first arrive in Northern Ireland, those that are legally allowed to stay in the UK are able to eventually have a bank account of some kind. However, there are special complexities for the new migrant population which inhibit the development of skills and confidence to make informed decisions about financial matters.

Findings from the research are then divided into three sections with a discussion of the barriers to inclusion and the affects of exclusion made under each.

1. Access to financial products
2. Confidence in money management
3. Developing financial skills and access to financial advice

### 5.2.1 Access to financial products

The main factors affecting access to financial products amongst new migrants can be grouped into the following;

- Language:
  - Lack of English language skills
  - Information on accounts, products and services is all in English
  - Terms and conditions of the accounts is in English
  - Statements and letters cannot be understood
  - Reliance on friends, family or acquaintances for translation and interpreting
- Documentation:

Lack of address evidence when living in multiple occupancy households

Different requirements in different banks

The Unemployment 'circle'

- Types of Account:

Only being offered a basic account

Waiting for a current account

- Access to credit:

Lack of information and understanding about the terms and conditions

Waiting to be offered a card due to credit history problems

- Access to the bank:

Opening times of branch

Locality and the ability to get to the bank

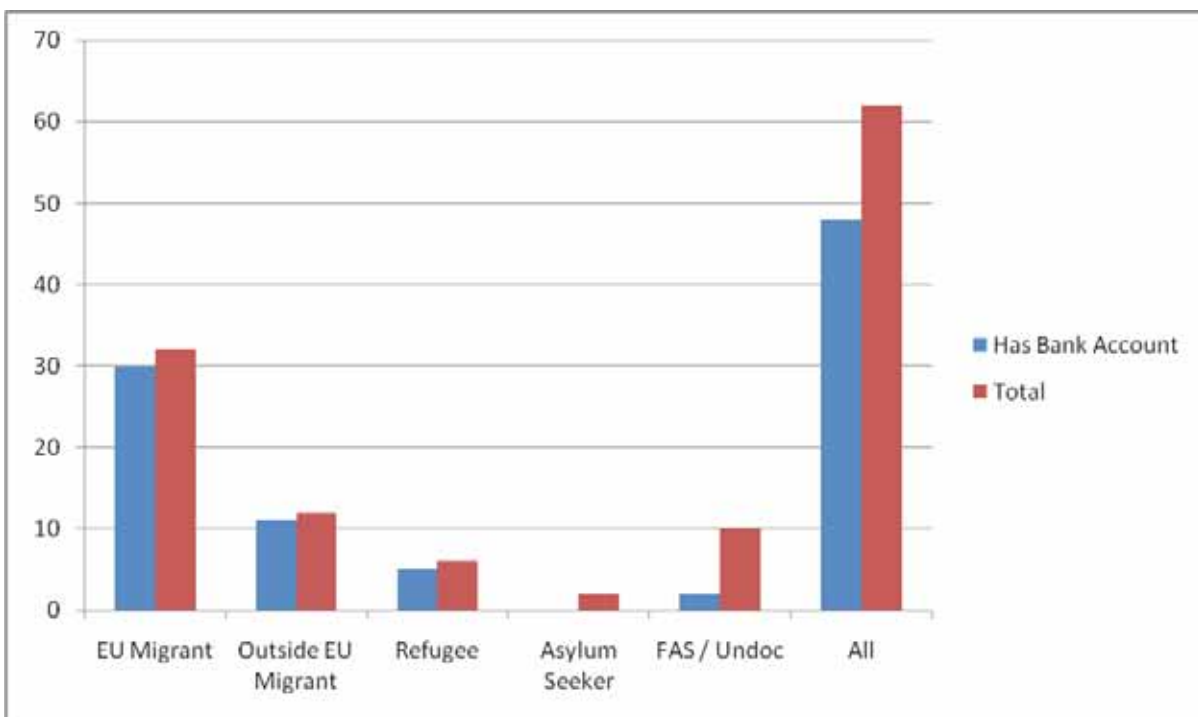
48 out of 62 interviewees (77%) had access to a bank account. Figure 2 below shows the number of interviewees with access to a bank account by their immigration status. This is not of

course statistically relevant and is intended as an indication only, however it does show that there is a high take-up of bank accounts amongst new migrants and that the demand for such services is high.

Access to a bank account however, does not mean that new migrants are fully financially included; in fact this research shows that purely having access to a bank account is a poor indicator of financial inclusion. New migrants arriving in Northern Ireland, especially those who were in employment tend to open a bank account soon after arrival so that they can get their wages paid into an account. There are very different experiences amongst migrants when attempting to open an account which depend largely on their employment status, language skills and identification documents.

Many of the migrants in this research who had come to Northern Ireland with a job lined up were assisted by the employer in opening an account. This process was easy for the migrant as the employer went to the bank with them and arranged much of the documentation required. However, this practice does mean that the migrant has to open an account with the bank that the employer

**Figure 2: Number of Interviewees who had a bank account by immigration status**



FAS/Undoc = Failed asylum seekers and other undocumented migrants

recommends and that this bank may not have the best account for that individual.

On the whole however, migrants who took this route were happy with the arrangements and just used the account to access their wages and undertake everyday transactions. One example of this is a Polish interviewee who was taken to Ulster Bank by his employer's secretary:

*"She helped me to open it and I did not understand everything. I just signed a form. I had to sign. They did everything for me. I just signed"* (Interviewee 53)

Those migrants who did not have an employer to assist them, or who were not working when they wanted to open an account had a harder time accessing the system. Those who were also not able to speak English and/or living in multiple occupancy housing had the most problems.

### **Lack of work and the unemployment circle**

Those migrants who had arrived in Northern Ireland, sometimes to join a spouse or to seek work but without work for the first few months had difficulties opening an account even though they had money in accounts in their home countries to transfer. This made things difficult as foreign banks charge money to get cash from UK cash machines and so everything had to be done by card payment, or occasional large cash withdrawals. One EU migrant who was studying English part time and looking for a part time job explained:

*"Opening a bank account has been a real problem, because I have money, my savings, and I visited Barclays and Northern Bank to try to open an account. I asked for information to open my bank account and they asked me if I was working, I said 'no I am studying, but I have money... but they said 'it is necessary that you are working'. They requested many documentation"* (Interviewee 5)

This has implications for those seeking work as the employer or an agency will often request a bank account number before work can commence leading to a circle of exclusion.

### **Language**

The biggest barrier to opening an account and becoming financially included in Northern Ireland is to those migrants that lack English skills. Many migrants were trying to learn English, however this is a slow process and therefore they need to open an account and deal with the financial service providers before they are confident. Some migrants found that they had resolved these issues by

learning English as they settled. Others who were working 6 days a week on 12 hour shifts found it impossible to find time to take English lessons and were just as isolated after 5 or more years than on arrival.

None of the migrants that were interviewed had been offered an interpreter by the service provider and none had ever had any information about the account or product in their own language. This leads to confusion and worry and ultimately a reliance on friends and services such as the Polish Community Centre to help. Some migrants had taken people who they did not know directly to help them interpret at the bank, a situation which could make them particularly vulnerable to fraudulent activity:

*"I asked everybody who had time. Or by telephone, sometimes I used a mobile phone for interpreter. Or just anybody who wants to go with me and help me"* (Interviewee 49)

*"I was happy enough at this stage [opening the account] that my friend went with me, but I would prefer it if the interpreter would be in a place because then you know, people, they don't have to know everything about personal things"* (Interviewee 51)

Once the account had been opened, those with little or no English skills found that they did not understand the terms and conditions of the account. Often, new migrants in this position were signing terms and conditions without knowing what they were:

*"I have signed all the conditions of the contract and I don't know what is in the contract because no one was available at the time I was signing the contract to go with me. So I don't know what I signed"* (Interviewee 49)

*"The biggest problem is the language barrier so it would be great if I could have an interpreter or someone to explain the banking rules and so on to understand the options the bank have"* (Interviewee 04)

Services like the Chinese and Polish Welfare centres are well connected and can advise migrants which currently have the best accounts for new migrants, for example, one interviewee had opened an account on the advice of a worker from the Cooltura Polish Welfare group as they were able to get a debit card straight away in that particular bank which was not the case with other banks at that time.

Clearly, there are differences in understanding English between migrant groups. Some of the EU migrants were able to understand basic communication from the banks, such as the numbers on the statements and online banking. However, the Chinese interviewees who have a different number system were not able to understand this basic financial information, and had to get help to read them. This can be seen in the case of this female Chinese refugee;

*“Well, in general, I won’t understand even my electricity bill or telephone bill, I don’t know the meter and I don’t know the telephone how much to use and spend because I don’t understand English.... sometimes when my friends come they, my friend understand English, I just give my friend [the statement] to look”. (Interviewee 22)*

### Lack of documentation

This was mentioned frequently as a major issue when opening an account for all migrants, even those who spoke fluent English. Many migrants, especially during their first year in Northern Ireland, are renting their accommodation and do not have utility bills with their name on. Some migrants because they had little money, use top up cards for their gas and electricity and so do not have bills to show as proof of address. This poses numerous problems and causes confusion as different banks have different requirements.

Often a migrant will have to try several banks before they are able to find one which allows them to open an account, even with the same documentation, this EU migrant states;

*“Respondent: I tried like two [banks], I think, before I arrived to Abbey. And they were really nice, very quick, and told yeah, no worries, we can open an account for you*

*Interviewer: And why did the other two refuse?*

*Respondent: Because they told me that I had to have a bill with my name on it and all this kind of things that I don’t have. And I don’t even have that now, because if you are renting a house, you are sharing a house, all the bills come to the landlord, not in my name so that is really difficult*

*Interviewer: and the Abbey didn’t need that?*

*Respondent: They only asked me for a letter of my landlord, like a proof that I am living in this house” (Interviewee 11)*

*“I could only find one or two banks willing to give me an account, basic account of course, and they required a load of paperwork as proof of address, proof of employment, proof of this, proof of that,*

*and other confirmation from a local authority such as policemen or a priest or lawyer that we are decent people...it really took me about two or three months to get it all, to get all the documents ready” (Interviewee 17)*

Delays in time between arrival in the UK and having the appropriate documentation to open an account vary dramatically, with some having the correct papers and no problems, to others waiting over six months. Being in temporary accommodation is one barrier as this refugee states;

*“Actually, I had difficulties in my first three months here in Belfast to open an account. Because at the time I used to live in a hostel. And they reject, they say they not accept any hostel address as permanent address or temporary address. And I opened my account after four or five months here, after I got my new accommodation” (Interviewee 09)*

Another EU migrant used a friend’s account for his salary for the first six months in Northern Ireland before he moved to his own room where the landlord wrote a letter confirming his address and he was able to open his own account.

### Debit cards and basic accounts

There was often confusion when the interviewees were asked what type of account they had opened. All interviewees were asked what kinds of accounts that they had for each bank mentioned. Only 34% of the interviewees identified that they had a basic account and 36% a current account with the remainder being unclear in each case. This might indicate that people do not clearly understand the difference between a basic account and a current account and the different features of each;

*“I didn’t even know the difference between saving account and current account and all these types ... that was half a year later when I realised what sort of account it was” (Interviewee 17)*

A clear distinction emerged however, between those who had cards which only allowed them to take cash out and not shop online, and those who had a debit card which they could use for everything. Online shopping was mentioned, especially by EU migrants who were looking to buy cheaper travel tickets online, as being a crucial part of their choice to go to a particular bank as not all cards are accepted online. One EU migrant explains;

*"When I am buying tickets to my country through Ryanair company, I am not allowed to buy tickets with a debit card, just with credit card. That's why I need that card." (Interviewee 16)*

Often this means that a migrant will open their first bank account in one place and then as they begin to understand how the system works, or they talk to friends and find out about different services, they will open a new account at a different bank offering preferential terms.

*"I opened [the] account in Northern Bank and then I realised that I need an account with different debit card than maestro ... and I asked Northern Bank if I can open a second account and get another debit card, they said 'no you cannot' so I went to Ulster Bank and actually I was trying everything to get the debit card account, I even moved all the money I have in the account in Northern Bank to Ulster Bank account but they opened only for me a cash card account, which wasn't good for me, so after that I tried with Woolwich (which is now Barclays) and there was no problem, I opened an account with them ... that was visa electron" (Interviewee 47).*

Some migrants who wanted to have a fully functional account which they can use for direct debits, online purchases and so on were aware that they had to 'earn' this through a period of time. This led to an understanding that when they first arrive they would have to open a basic account and then wait for a period of time to build their credit history and then open a more advanced account;

*"At the beginning I have the basic one [account] but I don't like to have cash in my bag, in case, so I use to pay most things, the shopping with my card, so after a few months I asked if I could have that, and they told me I had to wait for about six month...so I waited and when this month arrived I get now a debit card" (Interviewee 11)*

### Access to credit

A quarter of the migrants in the sample had a credit card. Some of the interviewees did not have a personal credit card but did have access to one through their partner or family.

New migrants were divided about access to credit and loans. Many of them stated that they did not want to build up debts and would rather save than have a credit card or loan.

*"But I don't like credit cards because you pay interests. With a credit card, for everything I pay, I spend 1% - 3% in interest, and I don't like that. I prefer to save my money when I have it, and use it then to pay for my expenses" (Interviewee 05)*

Some had been offered a credit card through their existing banks, and sometimes this led to them getting a credit card without understanding fully what the card was for and the terms and conditions of the contract which led to debt accruing.

Migrants who had recently arrived or those without bank accounts relied on friends and family for informal loans to tide them over and buy essential furniture whilst they looked for work or established themselves. These migrants would have liked to take a bank loan and had often asked for one but were not able to access formal loans due to credit history and financial standing;

*"When we came to the country we were really just on his [partners] income. We asked for that loan, I just think we wanted to buy furniture for our daughter's room or something like that. We just asked for maybe £1000 or something, it was a really very small amount. I am not talking about the mortgages or the loans for house or flats, just small" (Interviewee 13)*

For those more established, settled and financially included migrants loans, credit cards and mortgages were available and easy to obtain. These fully included migrants tend to be those who have highly skilled jobs, have been in the country for over 5 years and who intend to stay permanently.

### Access to the Branch

Branch opening times and locations were mentioned frequently by some migrants as being a problem, especially for those who lived outside of central Belfast. Even for those that do live in the city, the opening hours were prohibitive and they had to take time off work to go to the branch. Some banks open late or on Saturday and this was seen as a good benefit of having the account in that particular bank. One interviewee living in a rural area stated;

*"When I worked full time... I couldn't get to the branch at all because the opening hours were from half nine in the morning to half five in the afternoon Monday to Friday so I didn't have a chance to and if I needed to get something sorted I had to take the day off to go to the bank" (Interviewee 17)*

The EU migrants were especially keen on online banking as they could understand the system

and did not need to communicate to bank staff in English or go to the bank itself to manage the account. This is a big advantage for those working during the banks opening hours, and for those living in the more rural areas where the bank is further away. When asked what the benefits of his account were, one interviewee stated;

*“Card, debit card is the biggest benefit for me because I don’t like to carry cash. And then the biggest benefit, maybe even bigger than the first one is that I can make payments through the internet at home. I don’t need to go to the bank.”*  
(Interviewee 16)

A few of the interviewees were not using online banking because they did not trust the system and had heard of friends who had money stolen from their accounts after using online banking. It should also be noted that older migrants who were not used to using a computer were also not using internet banking as they were not confident enough to do so.

Some were using online banking to transfer money between accounts held in Northern Ireland and in the home country which is cheaper and easier than going into the branch. There is more information on this in section below.

## 5.2.2 Confidence in money management

In Section 5.1 it is clear that the majority of migrants (those with rights to be in the UK) do have access to bank accounts even if this takes some time to establish. This section examines new migrant’s confidence in their everyday management of their money and their ability to save money. Clearly, as with everything mentioned above, the ability to speak English is a key factor in confidence when managing money, discussing issues with the bank staff and paying for goods and services.

The following issues are the main barriers to confidence in money management;

- Knowledge of the banking system and features of the account:

Cash and card use

Direct debits

Savings

- Lack of money and struggling to get by:

Budgeting

- Sending money home:

Bank transfers

Informal methods

- Freezing accounts

### Knowledge of the banking system and features of the account

#### Cash and card use

There was a wide variety of behaviours when it comes to money management and cash and card use in the sample. Many of the migrants, especially those in lower paid, low skilled work, were paid in cash on a weekly basis. This is important because it has a number of implications for financial wellbeing and money management;

- Migrants who are undocumented are able to manage to survive on weekly cash salaries because they can pay their rent, food and other essentials right after getting paid.
- Those migrants that do have a bank account and get paid in this way may not put a regular amount of money into their accounts as they can pay for rent and food with cash and only deposit money left over. This is a problem for the banks who cannot see a regular salary payment going into the account making them less likely to offer services such as a current account or build up a good credit history. In addition to this, several interviewees mentioned that they or their friends had their bank accounts frozen because the bank was suspicious of their account activity which is an issue returned to under remittances below.
- Although the amount of cash is not likely to be large, carrying cash around, even for a short period of time can be risky.

Unsurprisingly, those with very little money were more prone to using cash to budget than those who were not struggling and preferred to pay by card.

*“In Estonia I used cards sometimes, but I don’t know, I prefer to have cash in my pocket to know how much money I have, and I can plan this way, this way is easier for me because I am really short of money”* (Interviewee 07)

Some migrants, especially those from rural areas, were not used to having bank cards and so preferred to pay by cash as a matter of habit.

Those who had basic bank accounts were critical of the lack of ability to use their cash cards to pay for goods in shops, preferring to have debit cards where possible;

*"They only gave me their cash card they call it, but it was absolutely useless, they say you can pay with it in shops but in fact I couldn't because in fact there were no shops accepting it and the only place I could use it was in First Trusts own ATMs"* (Interviewee 17)

As well as being inconvenient there may be a stigma attached to people who do not have the right cards to make payments in shops, although this is an issue that needs further exploration.

### Direct Debits

Many of the migrants with bank accounts had set up and were using direct debits. These were mainly to pay for mobile phone contracts or car insurance and broadband rather than larger items such as rent which tended to get paid in cash on a weekly basis, although this did vary across the sample depending on who the accommodation was rented through.

### Savings

Many of the interviewees were managing to save money if they had a job in Northern Ireland, with 40% of interviewees saving they had a savings account or were saving money on their other accounts. Some of the more recently arrived migrants were planning on saving money as soon as they were settled here and able to afford it.

*"Interviewer: And do you have a savings account here in NI?"*

*Respondent: Not yet*

*Interviewer: But you were saying that you have your bank account because you like to put money into it for your partner to save?"*

*Respondent: yes, but I just started work in January. It's not a long time, so nothing to save by then*

*Interviewer: so the intention is there?"*

*Respondent: yes, especially when you have a small child you need to do something to think about the future"* (Interviewee 16)

In general the majority of the sample did not have or want credit cards or loans, preferring instead to save. Often these savings were not for anything specific, but 'rainy day' monies in case something goes wrong or for children's presents.

*"I don't give them [the children] money unless they really need to have it. The money they do have will be in the bank. It's not too much, but I use it for days like Christmas or holidays, or if we need to go somewhere"* (Interviewee 41)

This money was often saved into the same bank account used for daily activities rather than a specific savings account. Those migrants who were receiving benefits, especially child benefit tended to have a separate account for that money so that they could save some money for their child. However, there were some migrants who wanted to access specific savings accounts such as ISA's and who had researched the various options. These migrants tend to be those who are settling in the country or who are staying long term and who are able to communicate in English.

The Chinese group, who were often smuggled into the country and had to borrow up to £25,000 each to get here, mostly lent to them by friends and families, saved the majority of their wages to pay this debt back. Usually this involved saving their cash earnings in their own or their friends accounts or by asking their employer to save it for them, and then sending it via a bank to China.

Savings were not always only in Northern Ireland banks or providers, some migrants keep their savings accounts in their home countries either due to preferential rates, ease of transferring money to family members or for their rents/ child maintenance.

## 5.2.3 Lack of Money and struggling to get by Budgeting

When asked if they had enough money to manage their daily lives in Northern Ireland and buy food and essentials interviewees were divided into those from the EU who were in work and those from other countries who were either refugees unable to work or struggling to find work or those that had no legal status. In general, the latter two groups were not able to afford life in Northern Ireland and struggled to buy essential items. These groups were less likely to have a bank account, and where they did they tended to take cash out each week and use that only to help them budget. This migrant had only been in Northern Ireland for two months and said;

*"I prefer to have the cash in my pocket to know how much money I have, and I can plan this way, this way is easier for me because I am really short of money"* (Interviewee 07)

This refugee who was unable to find work because of his age stated;

*“You see the money they [the government] give us is just sufficient for the food, what of the clothing? You want us to go naked or sharing? We don't ask for having a party, or luxury, no... what I do when I walk the road, I just look for money. I pick up money...if I walk every day morning and night, up and down looking, at least I can pick up £2”.*  
(Interviewee 42)

In contrast, many of the EU migrants and those with permission to work from other countries found it easy to manage their money and said that they had a good standard of life in Northern Ireland. Many of these interviewees also said how much easier things were here in the UK than in their home countries and this was a major reason for coming to Northern Ireland and settling. These migrants were more likely to use a mixture of cash and debit cards for paying for goods and services.

### 5.2.4 Sending money home

The majority of migrants had sent money home at some point during their time in Northern Ireland and in some cases their families had sent money to them in Northern Ireland. There were a variety of ways in which money was sent ranging from friends taking cash with them when they went for a visit to the home country, informal arrangements using friends or acquaintances bank accounts and formal transfers through either a bank transfer or other Western Union type provider.

Some of the Chinese interviewees who were smuggled into the UK had large loans from their friends and relatives to pay for their journey. Repaying this debt is the first priority for the individual when they arrive and start to work. Some of those migrants, especially those without work were still paying this debt some years later whilst others managed to clear it within a few years.

These payments are usually made by bank transfer, however often the undocumented do not have access to an account and use their friends account instead. This can cost up to £35 per time if the friend also charges for the individual to use their account, however this is not always the case and some migrants were using their friend's accounts for free. In some cases the money was sent through a gang organisation or the Chinese community in London;

*“In London there is a gang, a gangsters family, an organisation, they have similar banking types only running from my home country, whenever I put money into their account, straightforward my village people get the money”* (Interviewee 32)

The Filipino community in London have a formal system for sending money home through an organisation called CBN which is cheaper than using a bank. The Filipino migrants in the sample sent money to this agency in London through their Northern Ireland accounts.

There was also a divide between convenience and cost for the formal money transfer using banks. Some migrants felt that this service was fast and convenient and had spent time researching the banks with the lowest fees, with one actually opening an account at a specific bank just for money transfer because they charged less than his own bank. Some of the EU and better off Chinese migrants had commitments at home they needed to send regular amounts for, such as mortgages, loan payments and family maintenance and this was almost always done through a bank transfer into the home country account. Bank transfer fees that were mentioned were around £20/25 per £1000.

Where there is no bank account to send the money to migrants were using Western Union or MoneyGram to transfer money to family and there was often confusion as to which was cheaper;

*“Some people said it's [Western Union] cheaper but I found it actually more expensive...the other day I wanted to send £100 and they [Western Union] wanted to charge me £11 for that. And then in MoneyGram they charge me £5, so half”*  
(Interviewee 55)

Some migrants in the sample, particularly from the Chinese community were having problems with their bank freezing their accounts as the banks seemed to be suspicious of their remittance activity. One migrant had his account with Halifax frozen without notice and did not understand why. This person did not speak any English and was reliant on help from the Chinese Welfare Association to resolve the problem; in the meantime he had all of his savings in the Halifax and had no access to them.

Migrants may be more susceptible to suspicions because of the nature of the way that they manage their finances. Many of the Chinese get paid in cash weekly, they sometimes ask their boss to save their cash that they do not use and then will

deposit it in the bank when they have built up a sum ready to send to China. This means that the bank sees a large amount of money going into and straight out of the account raising suspicions. The problem is particularly difficult for many migrants as they do not speak English and so have to rely on others to help them resolve the issues, all of which takes time whilst they have no bank facilities.

This is compounded if the migrant had opened an account at a time when they had a valid working visa. In some cases the bank accounts of migrants whose visa had ran out (and they were therefore undocumented) had been frozen and they had no documentation to take to the bank to retrieve the money in the account.

### **5.2.5 Developing financial skills and accessing advice**

There were a range of formal and informal methods that new migrants used to develop their skills and access advice. All of the interviewees were asked if they had any formal or informal training to help them manage their finances. Less than 5 of them had received training in Northern Ireland or in their home countries, and these were informal through parental guidance or because they had studied Economics.

It seems then that the majority of the new migrants were managing their money and learning about the financial system as they went along, becoming more confident as time went on and their English skills improved. It was at particular points when the migrants were really struggling that they came into contact with an advice agency, usually either because they needed help with translation and interpretation or with understanding the benefits system.

#### **Friends and family**

It has become apparent that many of the migrants that we interviewed came to Northern Ireland as they had a friend or acquaintance already in the country who could provide accommodation and either line a job up or help to find one. These friends also help migrants to gain access to financial services, either by telling them what they need to do, which banks to go for the best services or by going further and helping with translation and interpreting during the opening of the account and other meetings with the financial provider.

As already stated above, friends also help with short term loans especially on arrival or during

times of particular hardship and need. One unemployed migrant stated;

*"I just stay with my friends, play football, so I hang out with the rest of my friends, but I don't have any cash...my friends help me with this because they lend me some money. As soon as I get a job I will pay my friends" (Interviewee 07)*

It seems to be that if a migrant has a friend who is in Northern Ireland prior to their arrival they are able to access financial services and become financially included much faster than those who do not have such connections.

#### **Community organisations**

Migrants who did not speak English and who were living in the Belfast area were far more likely to use an advice service from a community organisation such as Chinese Welfare Association or Cooltura (Polish Community centre) than any formal organisation. Indeed, for some migrants these organisations had provided a vital lifeline.

*"Respondent: I just access the Chinese Welfare Organisation. I can't go to other organisations because I don't speak English"*

*Interviewer: And how did you know where to go?*

*Respondent: One day after asylum seeking I walked around on the University Street and I met someone who mentioned it so I went there" (Interviewee 27)*

As with the quote above, migrants often found out about these centres through word of mouth and occasionally by leaflets distributed in, for example, Chinese or Polish shops. Migrants go to these centres with all kinds of issues, not just for financial help, for example, finding solicitors to deal with immigration issues, employment problems, housing assistance, medical issues and general help with translating documents. Once the migrants are aware of the services of these community groups they often go back many times for a variety of issues and to access a variety of services;

*"I go to the Chinese Welfare, most of the time if I have a letter or different document I will bring it to CWA to try to understand what is happening, and also to ask about asylum seekers, any policy change or something I would like to go find advice and ask what is going on now and maybe it help me in the future, that's why I go" (Interviewee 37)*  
*"And what sort of thing do Cooltura help you with? Every little problem...I would not have managed without those clinics" (Interviewee 49)*

There are other agencies in Belfast who are helping migrants in various ways to; find employment and gain English language skills (GEMS), access information and help with immigration claims, accommodation, employment and integration (NICEM), assistance for destitute asylum seekers and support for integration of asylum seekers and refugees (NICRAS).

The British Red Cross also runs a service in Northern Ireland for destitute asylum seekers providing emergency funds and clothing. These are not mentioned in detail here as they are not directly providing financial advice even though they may signpost people to financial organisations.

In other parts of Northern Ireland migrants gain help through local associations, for example there is a Chinese and Polish Association in Derry, and multi cultural centres in Portadown, Omagh and Newry.

Citizens Advice across Northern Ireland help migrants in a wide variety of ways including employment and housing rights, access to benefits and financial problems such as debt. Demand for these services is high with most bureaus running special clinics tailored to the majority migrant population in that area with interpreters. Some bureaus have volunteers from migrant communities who help clients in their own language. Migrants in the sample on the whole visited Citizens Advice after they had been signposted either by another organisation or by friends who knew that the bureau offered clinics in their own language. Where these services were offered, demand for them was high.

### **Banks**

Few of the migrants mentioned that they had any formal help from the banks in obtaining financial advice although they were aware of information and leaflets that were available in the branch. For those that did not speak English accessing advice through the banks would be particularly difficult as none of the banks offered an interpreting service. Whilst migrants did ask friends and acquaintances to help them with basic account opening and transactional issues, they may be less willing to ask people to go and assist them with detailed advice which may be of a more confidential nature.

Some migrants who were in employment and who were highly skilled in English were very happy with the service being offered by the bank did get

advice and stated;

*"If I have a problem I will go to them, they will be there for you whenever you need to ask someone, you will be secure" (Interviewee 62)*

Although not advice directly, many of the migrants commented on the helpfulness of the bank staff and the information that they offered if there was an issue;

*"So I like this bank...I explained my problem to the, they talk to me face to face, and they speak to me clearly and its understandable if I ask a question its no problem" (Interviewee 56)*

## 6. CONCLUSION

The first two research questions have been answered in Chapter 5 above. This conclusion focuses on summarising these answers, and examines the third question on policies. The final research question is answered in Chapter 7.

### ***6.1 The extent of financial inclusion amongst new migrant communities in Northern Ireland***

This research has found that the majority of new migrants, those with a legal right to be in Northern Ireland, have access to a bank account. However, there are a number of barriers for new migrants in accessing these accounts, and once they are opened, to accessing other financial products and services provided. There are also barriers to accessing advice and information.

EU Migrants are on the whole financially included in that they have access to a bank account and are able to understand the system with the use of internet banking. There are a larger number of EU migrants in Northern Ireland than other countries and this tends to mean that there are established networks where the new migrant can go to find advice and information upon arrival. The most common way of finding advice about how to, for example, open a bank account comes through friends who will themselves be able to help or who will direct the newcomer to a service such as Citizens Advice or the Cooltura Polish Welfare Centre.

Non EU migrants who are in high skilled employment, who speak fluent English and who plan to settle are financially included as they are long term stayers and have access to bank accounts, loans and credit cards and have a good understanding of where to find information and advice.

Those new migrants with no legal status, who enter with a visa which has now expired or who are refugees on low incomes are excluded from financial services in Northern Ireland and have great difficulty in managing day to day financial matters. They have little access to and understanding of the UK financial services and those without status are reluctant to approach

services for help and advice unless they are in their own language and trusted community groups.

Refugees will have access to the banking system, however they may struggle initially to find employment and rebuild their lives after an often protracted period of time of uncertainty with few or unrecognised qualifications and little knowledge of Northern Ireland society.

Taking these factors into account, the research found four typologies of financial inclusion amongst new migrants;

- Totally Excluded
- Middle Excluded
- Middle Included
- Totally Included

### ***6.2. The main factors affecting the level of financial inclusion among new migrants communities in Northern Ireland and the main effects of financial exclusion***

Although the research found a high level of access to bank accounts; significant barriers to financial inclusion remain especially for those in low income groups who are at risk of exclusion from current accounts, credit cards, saving and loans from formal providers.

The main barriers to accessing services for all groups are:

- Language and a lack of translation/ interpretation services in the Banks and Building Societies. This is in terms of face to face transactions, meetings and written information.
- Unclear or impossible documentation requirements.
- A lack of coherent policy across the Banks and Building societies on who can open an account and what type of account they can hold.

The main effects of financial exclusion amongst the migrants appear to be:

- Reliance on friends, acquaintances and welfare services for help with financial services
- Lack of information and take up of products such as high interest savings accounts
- Loss of benefits such as a debit card which can be used online or in the shops
- Reliance on carrying cash around or storing it in accommodation

### ***6.3 Is current policy effective and relevant for promoting financial inclusion among new migrant communities?***

Current financial inclusion policy does not directly mention new migrants and their unique issues when trying to become financially included in the United Kingdom. Policy reviewed here is for low income groups which the majority of migrants in this research would fit into.

#### **6.3.1 Access to financial products**

##### **Banks**

The majority of migrants do gain access to a basic bank account and this can be seen as a success in terms of financial inclusion policy. However, it is not the whole picture and it is clear from this research that basic bank accounts are limited in their scope and many new migrants found them frustrating especially in relation to cards. Access to these accounts can also be slow as migrants do not have the documentation required or have to try many providers before they are accepted. Therefore, whilst this policy is largely effective at including new migrants, it is not always relevant to their needs and more work needs to be done on improving access to bank accounts.

##### **Identification**

There is no legislation currently stating which documentation a bank should require to enable people to open an account, instead each of the financial institutions can decide its own policy. This leads to a clear confusion for new migrants who have a range of documentation which some banks will not accept but others will. This policy of leaving

the banks to decide is not effective at promoting financial inclusion for new migrants and hinders the process of opening a bank account.

##### **Savings**

This research was conducted prior to the announcement (in May 2010) that the Child Trust Fund would no longer exist. The Child Trust Fund aimed to help people on low incomes to save money for the future. For some of the migrants who had children born in the UK since they arrived the Child Trust Fund was a valuable resource and was for some a way into getting a formal account to save money. However, given that some of these migrants may move home or to other places before the child turns 18 it remains to be seen as to how useful this will be, and even where they are eligible for the Child Trust Fund they are unlikely to understand the terms and conditions if they do not speak English.

##### **Affordable Credit**

Whilst Credit Unions have been seen as an effective way for low income groups to get access to credit and loans, there were only two migrants in the sample for this research that were accessing their services. This means that in Northern Ireland the Credit Unions are not reaching migrant customers. Low take up could be for a number of reasons including a lack of understanding and knowledge of how Credit Unions operate, a lack of visibility on the high street, lack of English skills on the part of the migrant and the fact that a Credit Union account may be seen as being too local and therefore risky if the migrant intends to stay for a short period of time only.

##### **Access to Advice and Information**

The Citizens Advice initiative has shown that there is a high demand for advice and information from new migrants and established ethnic minority communities. This bodes well for the new policy initiatives around the 'moneymadeclear' service which is available in Northern Ireland. Finding advice on how to manage daily financial matters whilst in the UK is one of the biggest priorities for migrants entering the country. The 'moneymadeclear' service is therefore likely to be very relevant to new migrants, but it needs to ensure that materials and advice are accessible to those who are not English speakers.

The evaluation of the practical initiative clearly shows that tailoring advice sessions to the needs of new migrants is effective in delivering training and helping to resolve issues. The following are essential elements of a tailored service for migrants;

- Advisers from the same community where possible
- Interpretation and translation
- Awareness of needs of new migrant groups
- Cross referral from other migrant groups and organisations avoiding duplication
- Awareness of products and services including welfare benefits relevant to migrant workers

## **6.4 What complimentary or alternative policies or practical initiatives may improve financial inclusion amongst new migrants in NI (and across the UK)?**

This final research question is answered in the following chapter which contains a number of recommendations coming out of this research.

## 7. RECOMMENDATIONS

Recommendations from the research and evaluation have been separated into three categories; for Northern Ireland specifically; for UK wide financial institutions; and for UK Government and financial services agencies. These categories are intended to guide policy in these particular areas with a clear reason for each recommendation and a case for take up. These are not intended to be overly critical of the financial sector; rather the recommendations that have been developed are designed to be beneficial to both the migrant community and the financial sector.

For each category identified a need for further research and investigation has been given so that services can be developed further in the future.

### 7.1 For Northern Ireland Assembly, Community Groups and Credit Unions

#### Recommendation 1: Working together with migrant community groups

It is clear from the research that certain migrant communities are well served by community organizations who they turn to for advice and support. The Chinese Welfare Association and Polish Cooltura in Belfast are two of many groups providing such help. These groups are run on a shoestring and rely heavily on volunteers, but without them many migrants would sink into total exclusion. We recommend a closer link up between banks, government agencies and these community groups in terms of;

- **Funding and capacity building**

There is clear evidence that migrants and other BME groups feel more comfortable and trusting when they deal with a person from their own community. One area that could be developed is the financial sector working with community groups to pay for the time of a community worker to provide translation, interpreting or advice in the local branches at set times each week. This is particularly relevant in Northern Ireland because of the smaller number of banks available. For example, recent research evidence<sup>18</sup> shows that migrants and BME groups who do not speak English chose to open accounts in places such as

Bank of China who have Chinese speaking staff and literature rather than in a bigger UK national bank. As this is not an option in Northern Ireland, banks in area with high migrant communities need to ensure that they can meet their customer's needs providing information and advice in languages other than English.

- **Information and advice exchange**

Information exchange is clearly taking place already in that several project respondents' commented that they had been recommended to go to a specific bank by their community group as they had an account that would suit their needs. Community workers are clearly aware of banks who are providing migrant friendly products, but in an ad hoc manner. It would be beneficial to the banks and community groups if they could exchange information in a more formal way. In this way the banks would learn more about the current numbers of migrants in their area and the issues that they face and the community groups could feedback any issues as well as learn about banks products and developments. In areas outside of Belfast this could be conducted through community groups where they exist or Citizens Advice where they do not.

- **Development of a one stop service of referrals used across community groups**

These would quickly send the migrant to the right centre for their needs as per the successful CAB referral scheme for the Financial Inclusion project, cutting down on duplication and allowing the community organisations and charity groups to concentrate on their areas of expertise.

- **Development of a web site for migrants in Northern Ireland**

This website could be maintained and managed by a local authority such as Belfast City Council and would provide information and signposting to migrants wanting to find out about life in Northern Ireland. Local services and advice centres should have an input into the site so that they can showcase initiatives and services in the area. This would be beneficial to migrants who are planning on coming to Northern Ireland as well as those already here. The web pages in a variety of languages would provide links, basic information such as the Migrants Guide to Money outlined below and could include forums for migrants to discuss issues and socialise. This is particularly

important in Northern Ireland where migrants can be dispersed in rural areas with no knowledge of how to access advice services. This research has shown that many migrants have access to the internet and use online sites to find information. If such a service was developed it could benefit local authorities as they could run polls and surveys through the site finding out migrant opinion and see what services they most require access to.

## **Recommendation 2: Advice and Support for new migrants in rural areas**

Whilst Belfast is well served with advice centres, such as the Chinese Welfare Association, in rural areas of the country the only advice service is often the Citizens Advice Bureau. Many of the Bureaus offer a workshop where a member of a migrant community is available once a week or month to help with translation and interpreting. We recommend that;

Citizens Advice looks into ways of funding greater provision of advice for new migrants across Northern Ireland and should;

1. Develop a range of advice leaflets in the main languages of migrants in the local areas. These leaflets might be on how Citizens Advice can help, Bank Accounts, Benefits, Housing and Employment rights. This would be beneficial to the staff in the local CAB offices who are currently not able to deal with migrant clients as much as they would like to and would free up staff time to deal with other issues.
2. Consider the role of volunteers from migrant groups who may be able to offer advice on a regular basis. If more than one volunteer signed up in each area the burden would be lessened.

## **Recommendation 3: Credit Unions should provide information tailored toward new migrants to encourage take up**

Credit Unions in Northern Ireland should examine where they can best offer services to new migrant groups and ensure that they have information available in a range of languages to encourage new migrants to apply. This information could be

made available in migrant community centres and Citizens Advice Bureaus so that new migrants can be made aware that Credit Unions are available and the services that they offer to them. In areas with a high number of migrant workers, this approach could gain more customers for the Credit Unions and for those migrants who intend to settle long term a loyal customer base.

## **7.2 For UK wide Financial Institutions (Banks and Building Societies)**

This project has shown that banks, building societies and credit unions could benefit from developing migrant specific services. We recommend that the banks, building societies and credit unions come together to form a working group where best practice can be shared and discussed and products/services developed.

This project will form such a working group with senior banking executives to create a series of recommendations and best practice examples which will be published separately to this report specifically aimed at the financial services sector. This is likely to include discussions/development of the following areas which were found by this research to be of key concern to migrants in relation to their banking:

- Provision of key information translated into languages other than English
- Account Terms and Conditions and essential information on charges and complaints to be given in languages other than English.
- Access to an interpreter for customers who do not speak English.
- Clarity around identification requirements for migrants
- Development of Online Banking for migrant customers

## **7.3 For the UK Government and associated agencies (FSA)**

### **Recommendation 1: Development of a UK wide 'Migrants Guide to Money'**

This guide would be based on the successful 'Parents Guide to Money' leaflet to be handed out by Employers, Job Centres and on application for the Workers Registration Scheme. The guide would contain;

- Guide to UK Financial Institutions and systems
- Guide to different types of bank accounts (this could use the 'moneymadeclear' guide)
- Guide to Documentations needed to open an account (again this could use 'moneymadeclear')
- Details of what information banks should provide customers and what they can expect
- Information on Saving, Credit and Loans
- Explanation of UK Renting and House Purchasing systems
- Guide to benefits and entitlements
- Information on remittances and money transfer overseas
- The guide should be available in a variety of languages.

Once a generic template has been agreed, guides could be produced by local authorities so that they can be tailored to local needs such as different banks (in Scotland, Wales and Northern Ireland) and different migrant communities.

### **Recommendation 2: Development of Basic Bank Accounts to better serve the needs of migrants (and other low income groups) who wish to use the accounts to either pay for tickets and goods online or transfer money abroad.**

Developing basic accounts so that they all provide access to a card which can be used for shopping and online purposes would encourage take up and prevent confusion. This service is already available as part of the basic bank account in some UK banks. This would stop the migrant from opening an account and using it for a short period of time before transferring to a Current Account, cutting administration for the banks and time and confusion on the part of the migrant.

## 8. NOTES

1. <http://www.icar.org.uk>
2. <http://www.citizensadvice.co.uk/>
3. <http://www.cesi.org.uk/>
4. A8 countries are: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia
5. See Rahim et al at <http://www.icar.org.uk/publications>
6. <http://www.citizensadvice.co.uk/>
7. <http://www.adviceni.net/>
8. <http://www.lawcentreni.org/>
9. <http://www.consumercouncil.org.uk/>
10. See <http://www.consumercouncil.org.uk/money-affairs/>
11. A8 countries are Poland, Lithuania, Latvia, Czech Republic, Hungary, Estonia, Slovakia and Slovenia. Romania and Bulgaria joined the EU in 2008 and are known as the A2 countries, whose nationals have different rights to those from A8 countries in terms of working in the UK.
12. See Appendix 2 for a full list
13. This has been published as a standalone document on the ICAR web pages: <http://www.icar.org.uk/publications>
14. See Appendix 1 for a full breakdown of the sample
15. From the start of the research until July 2010 ICAR was based at City University. After July 2010 ICAR has been based at Runnymede Trust.
16. The evaluation methods are detailed in Chapter 3 of this report.
17. 'Financial Inclusion is about ensuring everyone has the opportunity to access the financial services and products needed to participate fully in modern-day society and the economy.' (HM Treasury 2008)
18. Mawhinney, 2010

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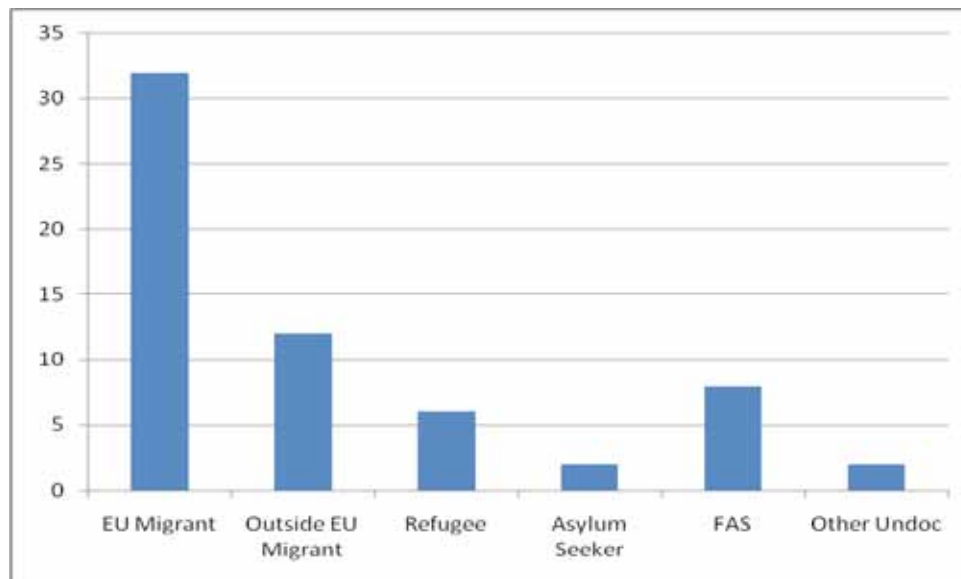
# APPENDIX 1: RESEARCH SAMPLE CHARACTERISTICS

Participants were interviewed across Northern Ireland in Belfast (42), Portadown (5), Ennsikillen (3), Newry (4), Derry (3) and Omagh (7)

Just over half of the sample was male, 55% compared to 45% female.

They were from the following nationalities; Polish (18), Chinese (21), Portuguese (2), Romanian (2), Lithuanian (2), Czech (2), Indian (2), Filipino (2), Thai (2), Sudanese (2), and 1 Hungarian, Estonian, Spanish, South African, Ugandan, Sri Lankan, Latvian, East Timor.

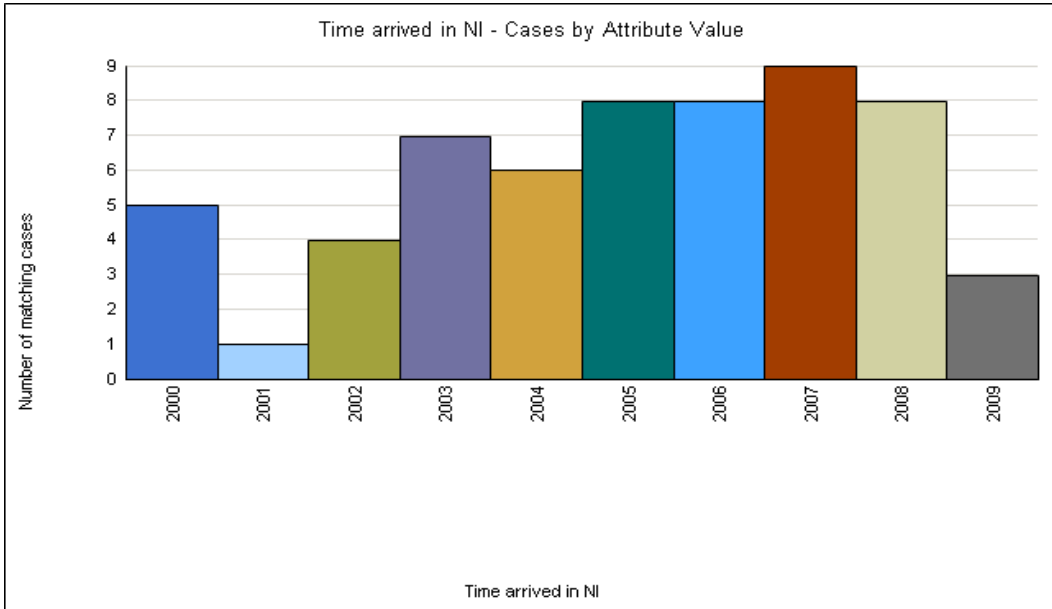
**Graph 1: Migration status of the sample**



NB: FAS = Failed asylum seeker

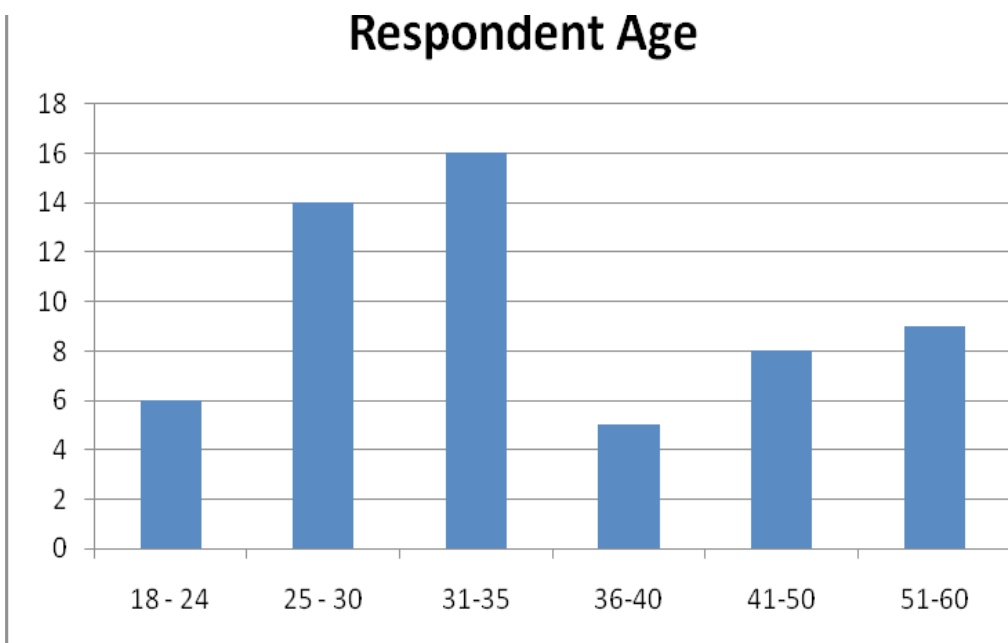
There was a good spread of migrants by arrival time in Northern Ireland as seen in Graph 2 below.

**Graph 2: Time of Arrival in Northern Ireland**



Graph 3 shows the age profile of the sample. (4 respondents did not answer this question)

**Graph 3: Age profile of the sample**



## APPENDIX 2: ORGANISATIONS AND ADVISORY GROUP

We are grateful to the following organisations who contributed to the research.

The Law Centre, Belfast

Belfast City Council Good Relations Unit

GEMS

South Belfast Roundtable on Racism

Institute for Conflict Research

Cooltura Polish Association

Polish Association

Northern Ireland Council for Refugees and Asylum Seekers (NICRAS)

Chinese Welfare Association

Craigavon Intercultural Centre

British Red Cross, Belfast

Northern Ireland Council for Ethnic Minorities (NICEM)

Citizens Advice Bureaus in Belfast, Dungannon, Portadown, Newry, Derry and Enniskillen

Omagh Ethnic Communities Support Group

Challenge of Change Programme

Consumer Council for Northern Ireland

The Project Advisory Group were;

Andrew Barnett (Chair) Calouste Gulbenkian Foundation

Adele Atkinson, Personal Finance Research Centre, University of Bristol (now OECD)

Danielle Walker-Palmour, Friends Provident Foundation

Gerard Crofton-Martin and John Rhodes, Citizens Advice UK

Julie McCurley, Consumer Council

Kavita Datta, Queen Mary's University

Martin Coppack, CFEB

Omar Khan, Runnymede Trust

Shahid Rahman, British Bankers Association

## About the Author

Julie Gibbs works as the Senior Research and Policy Analyst for ICAR at the Runnymede Trust. Julie joined ICAR in November 2008 and has since worked on a wide range of projects including the financial inclusion of new migrants in Northern Ireland and the Cost of Quality in asylum legal aid, published as 'Justice at Risk'. Julie also writes Briefings for the ICAR web site and manages the ICAR seminar series. Julie manages the day to day running of the ICAR team and web site and monitors funding opportunities for the centre.



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