

## Purpose of the proposed Care Leaver Payment

### How well do you think the name of the payment represents its purpose and intention?

Name of the payment represents the purpose and intention of the payment.

### Please explain your reasoning and include any alternative names you think we should consider:

MyBnk (mybnk.org) is a charity that delivers expert-led financial education programmes to 5–25- year-olds in UK schools and youth organisations. Together with young people, we have created innovative, high impact and high energy workshops that bring money to life. MyBnk cover topics such as saving, budgeting, debt, independent living and public and student finance. We also design projects and training programmes for others. Since 2007 we have helped almost 337,000 young people learn how to manage their money. Two thirds of our work is now with young adults in challenging circumstances, such as those leaving the UK care system, focusing on ‘survival’ money skills for independent living.

MyBnk has worked in Scotland for over four years and has delivered programmes to approximately 5,000 young people. This includes our Money Works and The Money House programmes which are targeted at young people in vulnerable circumstances, including care-experienced young people.

The name of the payment does represent its purpose and intention. However, some young people we work with have spoken about stigma associated with being care-experienced, or prefer not to engage with support from their local authority due to negative previous experiences. This can result in some young people choosing not to accept support that they are eligible for. On the other hand, some care-experienced young people have reported not being made aware of support and entitlements available to them, or confusion over what they are eligible for and how they can access it. This may be something to bear in mind when naming the payment. The Scottish government should consult with care-experienced young people to gather their opinions.

### Do you think the payment can fulfil the purpose set out above?

Unsure

### Please explain your answer:

Whilst a payment could help to address financial barriers, support with money management is essential alongside this to ensure that young people are able to maximise the benefits from this payment. Many organisations have highlighted the ‘care cliff’ that occurs when young people stop receiving support. Without adequate support with managing money, care-experienced young people may still experience this ‘cliff’ once the new payment stops. Money management support is also vital to help young people plan and budget how they will spend the money they receive.

While many young people we have spoken to told us they have been grateful to receive financial assistance like the Care Leaver Payment, they have highlighted that living independently for the first time incurs a lot of expenses. Therefore, whilst £ 2,000 sounds like a great deal of money, it is limiting for young people needing to buy furniture and ‘white goods’ such as a fridge and a cooker. Another factor to consider would be the cost-of-living crisis and inflation which mean that a payment of this amount may perhaps not stretch as far as previously.

## Payment amount and processes

### What are your views on the revised approach proposed by the Scottish Government?

### Please provide your views and any comments:

Receiving the payment as a lump sum would give young people more options in terms of how to use. For example, it could allow them to make a large purchase immediately. However, a lump sum makes the need for money management support even more vital to ensure that young people budget it effectively and prioritise needs over wants.

### How helpful would a payment of £ 2000 be at the point of moving on from care?

Somewhat helpful

### Please explain your answer:

The Scottish government should consult with young people to gather their opinions on the payment amount and timings of the payment.

Care leavers in Scotland who we spoke with indicated that although this payment could be beneficial for young people leaving care, there are issues with how some young people may spend their money without guidance.

Some highlighted different ways that their experience has shaped their ability to manage money, which should be considered relating to the proposed Payment. Some felt they had little freedom or independence in their placement, and therefore immediately prioritised enjoying their freedom as an adult and spent their money unwisely as a result. Some care-experienced young people may have poor mental wellbeing resulting from past experiences.

Without the right support in place, some may spend this Payment in ways that could be detrimental to them, such as unhealthy food, alcohol or drugs.

This was highlighted by some of the care-experienced young people we spoke with.

### Would it be beneficial for applicants to have a choice in how their payment is made?

Yes

### Please explain your answer and provide any suggestions you have:

The needs of care-experienced young people are diverse and what works for one young person may not work for another. For example, one young person may benefit from a lump sum to go towards a large purchase (such as a car). Another young person may struggle with overspending when receiving a lump sum so may benefit from monthly payments. Therefore, MyBnk would encourage giving applicants a choice in how their payment is made.

Care leavers discussed the fact that if you had a £ 200 over a 10-year period, inflation would mean their last payment is much less than their first payment. They agreed with the idea of flexibility around how young people want to be paid but think that it should be down to the individual young person, not the government.

### At what point would it be most helpful for care leavers to receive the payment?

Not Answered

### Please explain your answer:

The Scottish government should consult with young people to gather their opinions on this topic.

## Impact of the proposed Care Leaver Payment

### What might this payment help young people achieve when they are moving on from care?

### Please share your views:

Depending on the needs and situation of the young person, the payment could help them achieve a diverse range of things. For one young person, it could mean buying a car which could in turn help with employability or access to education. For another young person it could go towards costs for further study. For others, it could go towards accommodation or basic living costs, potentially preventing homelessness and helping care-experienced young people avoid poverty. For those already in a more stable financial situation, the money could be saved or invested for the future, for example, to eventually buy a first home.

### Do you think this payment could have any negative impact on young people leaving care?

#### Please share your views:

Without adequate money management support, this payment could have a negative impact. For example, we hear of young people who choose to put their money into high-risk investments (such as crypto currency) or use it to gamble for the chance to make higher returns. According to the Scottish Health Survey, 34% of 16-24 year olds have gambled in Scotland. And Internet Matters research shows nearly a quarter of 13-16 year olds have either already invested in cryptocurrencies or plan to. This can lead to the formation of damaging financial habits that can be difficult to break. 3 months after our Money Works programme for young adults, the number of young people who said they never ran out of money doubled. And after our programme with 11-14 year olds, 98% said they understood that their current financial behaviour would have an impact on the future.

As mentioned above, care-experienced young people have spoken to us about mental health and wellbeing problems that may mean they could spend a lump sum on harmful habits or substances such as alcohol or drugs. Equally, this is a sensitive topic and young people we interviewed stressed the importance of non-judgemental support services. We believe it is vital that young people leaving care are given the right money management guidance as well as adequate support with their mental health if and when they need it.

There is also the risk that the payment could impact on other benefits care-experienced young people may receive. Additionally, if others are aware that a young person will receive this money, this could put them at risk of fraud or manipulation.

## Eligibility criteria for applicants

### What are your views on the proposed eligibility criteria for applicants of the payment?

#### Please share your views:

MyBnk is pleased to see that a wide range of young people will be considered as eligible for this payment. However, the Scottish government should consider whether young people previously but not currently under the care of a local authority should be eligible.

## Age requirements for applicants

### What are your views on the proposed age requirements for applicants of the payment?

## Please share your views:

Providing the payment from age 16 makes sense as this is the age that some individuals leave care. However, the Scottish government should consider that young people would have more options in terms of what they could do with the money at age 18. For example, at 18 they could invest it or start a business using the money which could result in higher returns over time. Therefore, MyBnk emphasises the need for financial education to ensure young people are aware of the different ways they could spend or save their money. With this knowledge, some 16 year olds may choose to save the money they receive to use when over 18.

## Income requirements for applicants

What are your views on an applicant's income impacting their eligibility for the payment?

### Please share your views:

MyBnk supports the Scottish government's proposition. Young people with care experience are likely to have overcome significant challenges in their lives. Therefore, we believe that all young people with care experience should be eligible for the payment regardless of their current income.

What are your views on this payment impacting an individual's entitlement to other support?

### Please share your views:

MyBnk supports the Scottish government's proposition that their payment should not negatively impact an individual's entitlement to other support. This is an approach MyBnk follows when compensating young people for their time; we always provide vouchers to ensure they do not lose their entitlement for other support. This is also the case for the MyBnk grant we provide to eligible young people who have taken part in our courses.

## The application process

What should the experience of applying for and receiving the proposed Care Leaver Payment look and feel like for applicants?

### Please share your views:

The process should feel supportive and ideally personalised to the diverse needs of each care-experienced young person. The Scottish government should consult with care-experienced young people to gather their opinions on exactly what this should look like.

It is also important to consider options for a young person receiving support to complete their application, whether this is through their local authority, supported accommodation or a non-statutory organisation they are receiving support from (such as a youth group). If a young person chooses not to engage with their local authority due to previous negative experiences, it is vital that they have the same opportunity to receive this Payment.

There are also barriers facing lots of care-experienced young people in terms of bank account access due to a lack of ID. This could affect access to the payment. Therefore, the Scottish Government should work to remove these barriers.

We recommend that the Scottish Government consult with young people over how they prefer to receive information and how the Payment could be promoted, such as email, social media, print media, or through local services.

## Support to apply for the payment

Do you think young people should have support to apply for the payment?

Yes

What support might a young person need when applying for the payment?

Please share your views:

Support to apply for the payment should be provided if needed. This might be particularly important for young people with disabilities, those who are neurodivergent or who have English as a second language.

How should this support be provided?

Please share your views:

The Scottish government should consult with young people to gather their opinions on this topic.

## Support for those who have received a payment

What support might a young person need once they have received the payment?

Please share your views:

MyBnk's care leavers research showed inconsistency in the financial guidance provided to young people leaving the UK care system. The research showed that almost 70% of care leavers feel anxious about money and 80% want more help managing their finances. Despite financial education forming part of the 'pathway plan' to help care leavers transition to independent living, and 96% of local authorities saying they offer money management support, most care leavers surveyed couldn't remember learning about these topics.

Beyond financial education and support specifically, most care leavers we spoke with said that contact with local authorities is infrequent and inconsistent. 40% either don't have pathway plan or aren't aware if they have one or not. This suggests that current accountability measures for corporate parents are failing these young people and that more must be done to equip care leavers for independent living. Improving the financial guidance and support provided to care-experienced young people in Scotland is an important part of fulfilling the 2020 promise to care-experienced children and young people in the nation.

How should this support be provided?

Please share your views:

There are several specialist charities (such as MyBnk) who are experienced at working with care-experienced young people to support them to manage their money effectively and transition into independent living. MyBnk delivers fully funded money management sessions across Scotland in partnership with youth organisations, schools and local authorities. This includes our Money House youth homelessness prevention programme, targeted at young people in challenging circumstances, including care leavers. MyBnk also stands ready to support corporate parents to deliver this education to the young people in their care.

## Future consideration of financial assistance for people with care experience

What other financial assistance might those with care experience benefit from in the future?

Please share your views:

In some parts of the UK, care-experienced young people receive council tax exemption. The Scottish government should consider whether this could be offered to all care-experienced young people in Scotland.

In October 2020, the Children's Commissioner for England, Anne Longfield recommended that Care Leavers, regardless of age, receive the higher rate (for adults aged 25 and over) of Universal Credit and Jobseekers Allowance, in recognition for the fact that many care-experienced young people become independent at a younger age than their peers. While these are not devolved benefits, the Scottish Government could support these asks, and consider whether any benefits under Social Security Scotland could offer care leavers enhanced or higher payments.

