



**FLA SUBMISSION TO THE LORDS EU SUB COMMITTEE G  
(SOCIAL POLICY & CONSUMER AFFAIRS) INQUIRY INTO THE EUROPEAN  
COMMISSION GREEN PAPER ON EU MENTAL HEALTH STRATEGY**

1. FLA (Finance & Leasing Association) is the main representative organisation for the UK consumer credit, motor finance and asset finance sectors. Our members comprise banks, subsidiaries of banks and building societies, the finance arms of leading retailers and manufacturing companies, and a range of independent firms.
2. The facilities provided by FLA members include finance leasing, operating leasing, hire purchase, conditional sale, personal contract purchase plans, personal lease plans, secured and unsecured personal loans, credit cards and store cards.
3. FLA members achieved £87.3 billion of new business in 2005. Of this, £27.2 billion was provided to the business sector and UK public services, representing over 30% of all fixed capital investment in the UK in 2005 (excluding real property). The remaining £60.1 billion was provided to the consumer sector, and FLA members represented 25.5% of all unsecured lending in the UK. In the above total is £18.6 billion of finance provided to the motor sector. FLA members financed at least 50% of all new car registrations in the UK in 2005.
4. FLA, as part of the UK Cross-Industry Group, twice gave evidence to the Sub-Committee Inquiry into the EU Consumer Credit Directive in 2005 and 2006.
5. FLA welcomes the opportunity to contribute to the Sub-Committee's Inquiry. According to the Office of National Statistics, one in six people experience some kind of mental health problem at any one time. This can cause many difficulties, especially in managing finances and debt.
6. FLA is well placed to help promote to the lending industry the interests of vulnerable groups. In November 2005, FLA produced a film and training materials entitled '*Money Worries*' aimed at improving the advice and support offered by finance providers to those with mental health difficulties and debt problems. This was launched in Parliament at an event hosted by Mark Lazarowicz, MP.



INVESTOR IN PEOPLE

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Produced in partnership with Citizens Advice the package highlights what lenders can do to ensure they respond sensitively, appropriately and fairly to those in financial difficulty and how best to raise awareness with front-line staff and those engaged in debt collection.

7. This initiative was our response to Citizens Advice's April 2004 report "Out of the Picture", which highlighted the experiences of people with mental health problems in a variety of social contexts including access to the benefits system, employment and financial problems. The material is primarily aimed at raising the profile of the issue of mental health and debt problems with lenders and Citizens Advice Bureaux and enabling them to adopt a more practical approach to making the experience better for consumers.
8. We believe that the initiative also played a role in helping raising the profile of the inter-action that can exist between mental health and debt problems. Mental-health difficulties can lead to a range of problems in someone's life and their relationships with others. It will often cause problems with their employment and their ability to manage their money. For many people, debt problems can arise as a result of their illness, for others debt problems can cause stress anxiety and lead to health problems.
9. We enclose a copy of the pack, press release and frequently asked questions together with FLA's Lending Code, section 1C.5 (on page 13) of which requires FLA members to take particular care if the consumer is suffering from health problems, including mental health difficulties. As far as we know, such a commitment is unique to the Lending Code.
10. FLA has also sponsored a booklet on mental health and financial difficulty (enclosed), launched on 20 July 2006, and produced by the Royal College of Psychiatrists. It aims to provide sound and practical advice for psychiatric nurses on dealing with client debt. This initiative acknowledges FLA's growing commitment to meeting the needs of customers with mental health problems. We have recently committed to funding a second print run of 18,000 copies due to overwhelming demand for the first 13,500 copies.
11. If you require further copies of the DVD or any of the other material then please contact Edward Simpson (details below).

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For more about FLA please visit [www.fla.org.uk](http://www.fla.org.uk) or our e-politix micro-site at <http://www.epolitix.com/forums/FLA>