



FINANCIAL DIFFICULTIES AND MENTAL HEALTH PROBLEMS: MENTAL HEALTH FIRST AID GUIDELINES FOR FINANCIAL COUNSELLORS

There is a strong association between mental health problems and financial difficulties. Therefore, financial counsellors need to have knowledge and helping skills relevant to working with people with mental health problems. These guidelines outline what you need to know and do to support clients with mental health problems.

KNOWLEDGE OF MENTAL HEALTH PROBLEMS

You should be aware of:

- What a mental illness is
- Types of mental illnesses
- How common mental illnesses are
- Signs and symptoms of mental illness
- Changes in behaviours that may indicate that a client has mental health problems, e.g. not attending appointments, not returning phone calls, not meeting repayment schedules, displaying unusual behaviours, lack of clarity of thought
- Causes of and risk factors for mental illnesses
- Warning signs and risk factors for suicide.

Mental health problems may take weeks or months to develop, or can develop or worsen rapidly. The impact of mental health problems will differ from one client to another, and may vary over time.

Early identification of and intervention for mental health problems is important, because this can limit their impact. You should be familiar with the following Mental Health First Aid Guidelines (download at <https://mhfa.com.au/mental-health-first-aid-guidelines>):

- Depression: Mental Health First Aid Guidelines
- Psychosis: Mental Health First Aid Guidelines
- Panic attacks: Mental Health First Aid Guidelines

DEFINITIONS OF MENTAL ILLNESS AND MENTAL HEALTH PROBLEMS

'Mental illness' is a diagnosable illness that affects a person's thinking, emotional state and behaviour, and disrupts the person's ability to work or carry out other daily activities and engage in satisfying personal relationships.

'Mental health problems' is a broader term including mental illnesses, symptoms of mental illnesses that may not be severe enough to warrant the diagnosis of a mental illness, as well as mental health-related crises such as having thoughts of suicide.

THE LINKS BETWEEN MENTAL HEALTH PROBLEMS AND FINANCIAL DIFFICULTIES

Mental health problems can contribute to financial difficulties, and vice versa, e.g. failing to pay bills because of depression or experiencing suicidal thoughts due to financial difficulties.



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However, having mental health problems is not necessarily an indicator of an inability to manage money.

The cycle of financial difficulties and mental health problems can be intensified for people who have difficulty navigating unfamiliar financial and health systems. This may include people from Aboriginal, Torres Strait Islander, and culturally and linguistically diverse heritage. You should be familiar with the cultural considerations when working with these groups of people (go to <https://mhfa.com.au/mental-health-first-aid-guidelines> for a copy of the Guidelines for providing mental health first aid to an Aboriginal & Torres Strait Islander person).

The impact of mental health problems on financial difficulties

The symptoms of mental health problems may impact on financial difficulties. For example, a client may not complete financial tasks because they forget, lack the motivation to pay bills, make poor financial decisions, or feel overwhelmed by financial tasks, such as communicating with creditors, opening mail, or visiting Centrelink. Financial difficulties may also be a sign of relapse of a client's mental health problems, e.g. overspending. There are also some specific sources of financial difficulties faced by people with mental health problems (see box below).

SPECIFIC SOURCES OF FINANCIAL DIFFICULTIES FOR PEOPLE WITH MENTAL HEALTH PROBLEMS MAY INCLUDE:

- Debt incurred to support a drug or alcohol problem
- Increased medical expenses
- Gambling problems
- Overspending when in a manic or depressed state
- Job instability associated with episodic mental illness
- Poor money management due to paranoid thoughts, e.g. withdrawing money from the bank to keep it 'safe'.

The impact of financial difficulties on mental health

Financial difficulties can have a negative impact on mental health and addressing financial problems early can reduce this impact. However, be aware that financial stability may not be an immediate goal for some clients in the early stages of recovery from mental illness. It is also important to know that the way a client perceives their financial situation is what impacts on their mental health, rather than their actual situation. A client who is making their repayments may still be experiencing financial difficulties and distress.

Financial difficulties may also impact on the mental health of the person in a number of less obvious ways, including:

- Isolation and lack of support due to the inability to pay for participation in social activities
- Worsening of mental health problems due to an inability to pay for treatment
- Stress caused by the processes that institutions use to recover debt.



Be aware that when a client sees no way back from their financial difficulties they might become suicidal or attempt suicide. You should be familiar with the [Suicidal Thoughts and Behaviours Mental Health First Aid Guidelines](https://mhfa.com.au/mental-health-first-aid-guidelines) (these can be download here: <https://mhfa.com.au/mental-health-first-aid-guidelines>).

THE IMPACT OF STIGMA

People with mental health problems can be intelligent, capable people going through a difficult time, like many other people in the community. Unfortunately, the myths surrounding mental health problems can lead to stigma which can have a negative impact on people with mental health problems, including limiting their earning capacity. Even people with mental health problems can hold stigmatising attitudes about themselves that can have a negative impact, including on how they deal with financial difficulties. Be aware of any stigmatising attitudes that you may hold and understand how these may affect clients with mental health problems.

SUPPORT OF CLIENTS WITH MENTAL HEALTH PROBLEMS

Know how you can support clients in a way that promotes recovery of mental health. You should also know how to reduce stressors that may exacerbate current mental health problems or that may contribute to relapse. Clients with mental health problems are likely to need fluctuating levels of support, as mental illness can be episodic and varies in severity over time.

Adopt a flexible approach to appointments when working with clients with mental health problems, e.g. extra time for the appointment, shorter and more frequent appointments, increasing the number of sessions.

When working with the person to develop financial strategies, you should consider the following:

- The person's level of understanding
- The person's capacity for decision-making
- The person's ability to engage meaningfully with financial institutions
- The person's ability to implement realistic repayment plans
- The long-term impact of the mental illness.

Be aware that a client's financial decisions may be influenced by their support person or others.

Resources

Be familiar with the following resources and encourage clients with mental health problems to use them:

- Community mental health services
- Disability support services
- Centrelink benefits for people with mental health problems.

Relevant laws and professional codes of conduct



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You should have a thorough working knowledge of relevant laws and professional codes of conduct related to:

- The appointment of a third party to manage a client's finances, e.g. financial administration order
- The interactions between a client with mental health problems and creditors
- Your responsibility in responding to a client who is experiencing a mental health crisis.

WORKING WITH MENTAL HEALTH PROFESSIONALS

If a client discloses mental health problems and asks for help with these, you should provide them with written material about options for professional help and refer them, as appropriate.

With the client's consent, you should work with the mental health professional to:

- Deliver consistent messages to the client.
- Ensure that the client service plan complements the mental health treatment plan.
- Be aware of and discuss any conflicting priorities between the financial and treatment goals.
- Determine whether the client is able to make specific decisions concerning their current financial situation.
- Work with the client and support person to identify the specific supports needed to help the client make financial decisions.
- Use any available forms to communicate information about how the client's mental health problems impact on their financial difficulties. See the section titled: *Sharing information about the impact of the person's mental health problems.*

DISCLOSING MENTAL HEALTH PROBLEMS TO THE FINANCIAL INSTITUTION

People with mental health problems may be reluctant to tell financial institutions about their condition, e.g. because of shame, fear of being refused credit or because they have other worries about how the information will be used.

However, most financial institutions have policies about assistance for people who are experiencing financial difficulties. Know about these policies and the positive role that financial institutions can play for people with mental health problems and financial difficulties.

If a client wishes to disclose mental health problems to a financial institution, you should:

- Encourage them to decide what they hope to achieve by disclosing and check if this is realistic.
- Advise them to ask to speak to a specialist team member at the financial institution who is experienced in working with people with mental health problems and financial difficulties.
- Inform them that they may be asked to provide evidence of their mental health problems in order to reach the most suitable solution to the financial difficulties.
- Encourage the use of any available forms to communicate information about how the client's mental health problems impact on their financial difficulties. See the section entitled: *Sharing information about the impact of the person's mental health problems.*
- Inform them that, if they do disclose their mental health problems, the financial institution staff may not necessarily understand the impact of mental health problems on financial difficulties.



- Encourage them to keep records of who they have spoken to, what was said and when.

COMMUNICATION GUIDELINES FOR FINANCIAL COUNSELLORS

The guidelines in this section are about communicating with a client with mental health problems and financial difficulties, both over the phone and when meeting with them face-to-face. In cases where it is only applicable to phone or face-to-face communication this will be indicated.

Personal attitudes, beliefs and judgements influence communication, therefore it is important to be aware of your own attitudes about mental health problems and how these might affect your ability to respond to a client non-judgmentally. You should endeavour to set aside any negative beliefs and avoid expressing any negative reactions and judgements, in order to focus on the needs of the client you are assisting.

General communication skills

Know how to communicate effectively with clients with mental health problems. Take time to listen to the client, allowing them enough time to think and talk, by:

- Letting them set the pace and style of the conversation, as far as possible
- Listening non-judgmentally so that they can feel like they have been heard and understood
- Showing empathy, by using statements such as, "this must be very difficult for you", and conveying acceptance
- Conveying genuineness, i.e. your body language and tone of voice match what you are saying
- Respecting their feelings and opinions, even if you do not agree with them.

Use the following communication skills:

- Ask questions that indicate care, e.g. clarifying questions to show that you understand what they are saying.
- Check your understanding by re-stating what has been said and summarise facts and feelings.
- Listen not only to what they have said, but how it is said, i.e. tone of voice.
- Use prompts, such as "I see" and "Ah", when necessary to show that you are listening.
- Be patient, even when they may not be communicating well, may be repetitive or may be speaking slowly and unclearly.
- Allow pauses and silences to give them time to think or gather their thoughts.

To facilitate communication, **avoid**:

- Attempting to say something positive which may be perceived as trivialising their experiences, such as "put a smile on your face" or "lighten up"
- Attempting to say something supportive which may be perceived as belittling or dismissing their feelings, such as "you don't seem that bad to me" or "get your act together"
- Speaking in a tone of voice which may be perceived as patronising
- Labelling their feelings for them
- Pressuring them to talk about their feelings
- Being critical or expressing frustration at them for being in a negative emotional state
- Interrupting them when they are speaking, especially to give your opinion



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- Using a hostile or sarcastic tone when their responses are not what you expect
- Confronting them, unless it is necessary to prevent harmful or dangerous acts.

If a client is unable to communicate effectively, discourage them from making any financial decisions until they are able to communicate effectively. If speaking over the phone, offer to call them back at a better time.

You should be familiar with and listen for signs that may indicate that a client is:

- Having memory or concentration problems
- Distressed
- Confused or out of touch with reality
- Aggressive
- Behaving in a way that leads to concern for safety.

If a client is displaying one or more of the above signs, offer relevant information, e.g. contact details for Lifeline or the local mental health service. If after listening non-judgmentally the client remains in a negative emotional state, offer to contact a support person or their mental health worker.

Additional considerations for when a client has memory and concentration problems

Clients with mental health problems may have memory and concentration problems. Where this is the case, giving simple and concise information about their situation and repeating information can be helpful. If needed, provide the client with a written plain language summary of the information and options discussed during the appointment. If appropriate, you should also encourage them to record important information in a diary.

Additional considerations when a client is distressed

Financial counselling services should have a list of statements that their staff can paraphrase, using their own words, to help guide telephone conversations when talking to clients who appear to be distressed, e.g. "It is understandable that you are anxious at a time like this given everything that is happening for you at the moment" or "Lots of people say that going through financial difficulties can be very stressful", or "It can be important to talk to someone about what is happening. Is there someone who can give you that support?"

Additional considerations when a client is confused or out of touch with reality

When talking over the phone with a client who is confused or out of touch with reality, ask them to find a spot that is quiet and free from distractions. You should also try to find a spot that is quiet and free of background noise.

Tailor your interaction to the way the client is behaving. If they are confused, respond to them by communicating in a simple and concise manner. It is important to be patient and allow time for the client to process the information and respond to what has been said, repeating things if necessary.



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If the client is out of touch with reality, be sensitive to this and reassure them that you are there to assist. Delusions and hallucinations seem very real. While not agreeing with the client's delusions and hallucinations, acknowledge how they may be feeling, e.g. "that must be difficult for you" or "I can see that you are upset".

So as not to worsen the situation, you should **not**:

- Assume they cannot understand what is being said
- Raise your voice as if speaking to someone who is hard of hearing
- Dismiss, minimise or argue with them about their confusion, delusions or hallucinations
- Act alarmed, horrified or embarrassed by their confusion, delusions or hallucinations
- Laugh at their confusion, delusions or hallucinations
- Encourage or inflame any paranoia.

When working with a client who is confused or out of touch with reality, you should be aware that they may be frightened by their thoughts and feelings and this fear may lead them to deny that anything is wrong. If this happens, encourage them to talk to someone they trust.

Additional considerations when a client is behaving aggressively

If a client is behaving aggressively it is important not to take the aggressive behaviour personally and understand that they may be feeling confused or frightened. Be aware that their symptoms or fear causing their aggression might be exacerbated if certain steps are taken, e.g. involving the police. The following strategies can be helpful when working with an aggressive client:

- Remain as calm as possible and avoid nervous behaviour, e.g. shuffling your feet, fidgeting, making abrupt movements.
- Use positive words, such as 'stay calm', rather than negative words, such as 'stop shouting'.
- Speak to them slowly and confidently with a gentle, caring tone of voice.
- Explain to them that although you would like to help them, it is not possible when they are (state the unacceptable behaviour, e.g. yelling).
- Consider taking a break from the conversation to allow them a chance to calm down.

So as not to increase fear or aggressive behaviour, you should **avoid**:

- Raising your voice or talking too fast
- Responding in a hostile, disciplinary or challenging manner
- Arguing with them
- Threatening them
- Restricting their movement (e.g. if the meeting is face to face and they want to pace up and down the room).

After an encounter with a client who is behaving aggressively take a break and discuss it with a supervisor.

Additional considerations when there is a concern about safety

If you are concerned about the safety of a client, or others, you should:

- Take any threats or warnings seriously, particularly if the client believes they are being persecuted.
- Explain that this cannot be kept confidential.
- Consider terminating the interview.



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- Seek assistance from a supervisor.
- Contact the local mental health service and the authorised third party, if there is one, to discuss your concerns about the client.
- Take any necessary protective action, e.g. contact the police or mental health crisis team.

If the contact is by phone, also try to ascertain the client's whereabouts.

POLICIES AND PROCEDURES FOR FINANCIAL COUNSELLING SERVICES

Financial counselling services should have policies and procedures that are adapted to supporting clients with mental health problems. These policies and procedures should cover the training of financial counsellors and information resources for clients.

Training of financial counsellors should include:

- Basic mental health and counselling skills, which are informed by contemporary thinking and best practice in the mental health sector
- Continuing professional development that includes mental health training
- Hearing about the lived experience of people who have had mental health problems and financial difficulties, as well as learning about the impact of mental health problems and financial difficulties on the family of the client
- Use of any documents or forms relevant to working with people with mental health problems, e.g. an advance directive.

Information for clients should include external resources and community services relevant to people with mental health problems. This should be regularly updated. Any website for people with financial difficulties should have a link to information which assists people in a mental health crisis, e.g. Lifeline, Beyond Blue.

SELF-CARE RESOURCES FOR FINANCIAL COUNSELLORS

Working with people with mental health problems and financial difficulties can be stressful. For this reason, if you are having difficulty coping, make use of any support services provided by your employer or that are available in the community.

SHARING INFORMATION ABOUT THE IMPACT OF A CLIENT'S MENTAL HEALTH PROBLEMS

It is recommended that a standardised form be developed to assist in understanding the impact of the client's current mental health problems on their ability to understand and manage their current financial situation. This form is to be completed by a mental health professional in order to communicate information about a client's mental health problems to financial counsellors and financial institutions. Its purpose is to allow the financial counsellor and the financial institution staff to work collaboratively to find the most appropriate solution to the client's financial difficulties.

The following information should be included in such a form:

- Name, contact details and profession of the person who is requesting that the form be completed, e.g. financial institution staff, the financial counsellor



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- A disclosure statement from the requestor, indicating what the information on this form could be used for both now and in the future
- Details of how the client's mental health problems affect their ability to resolve their current financial difficulties
- The clients's capacity for, and level of understanding of their current financial situation
- The client's capacity for decision-making about their current financial situation
- Any factors that may be relevant to communicating effectively with the client about their financial difficulties, e.g. preferred mode of communication, comprehension problems
- A statement about how long the information about the mental health problems is valid for
- Details of any support the client is receiving with regards to their financial difficulties
- Option for listing an authorised third-party representative who the financial institution can contact if they are unable to contact the client
- The client's signature to indicate their informed consent to give this form to the financial institution and the financial counsellor
- Signature and contact details of the mental health professional completing this form.

A copy of the completed form should be given to the person (and their support person, where appropriate).

When the person's mental health problems change, and if the person consents, the mental health professional who completed the form should review it and resubmit, if needed.

PURPOSE AND USE OF THESE GUIDELINES

These guidelines are about how a financial counsellor can support a client who is experiencing mental health problems and financial difficulties. These guidelines are based on the expert consensus of panels of Australian financial counsellors, financial institution staff, mental health professionals, mental health consumers and carers.

DEVELOPMENT OF THESE GUIDELINES

These guidelines are based on the expert opinions of people with lived experience of psychosis (consumers and carers) and mental health professionals (clinicians, researchers and educators) who are from Australia, Canada, Germany, Ireland, The Netherlands, New Zealand, Sweden, Switzerland, United Kingdom and the United States of America.

Details of the methodology can be found in: Bond, K. S., Chalmers, K. J., Jorm, A. F., Kitchener, B. A., & Reavley, N. J. (2015). Assisting Australians with mental health problems and financial difficulties: A Delphi study to develop guidelines for financial counsellors, financial institution staff, mental health professionals and carers. *BMC Health Services Research*, 15(1), 218. <https://doi.org/10.1186/s12913-015-0868-2>

HOW TO USE THESE GUIDELINES



It is important to tailor your support to the needs of the person you are helping. These guidelines are a general set of recommendations only, and most suitable for providing mental health first aid in high-income countries with developed health systems.

These guidelines have been developed as part of a suite of guidelines about how to best assist a person with mental health problems. These other guidelines can be downloaded from:

<https://mhfainternational.org/guidelines/>

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