



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

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. Furthermore, the cycle of financial difficulties and mental health problems can be intensified for people from culturally and linguistically diverse heritage, due to the difficulty of navigating unfamiliar financial and health systems in Australia.

The impact of mental health problems on financial difficulties

The symptoms of mental health problems may impact on financial difficulties. For instance, 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 the 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 CLIENTS WITH MENTAL HEALTH PROBLEMS MAY INCLUDE:

- Debt incurred to support a drug or alcohol problem
- Increased medical expenses
- Problem gambling associated with bipolar disorder
- 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. Like many people in the community, people with mental health problems may have limited financial literacy skills, and the way they perceive their financial situation is what impacts on their mental health, rather than their actual situation. Even a client who is making their repayments may still be experiencing financial difficulties and distress.



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

- Isolation and lack of support due to the inability to participate 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.

SUPPORTING CLIENTS WITH FINANCIAL DIFFICULTIES

Ask direct questions about the client's financial situation, and whether they have any financial difficulties, particularly if overspending is a feature of the client's mental health problem.

If the client has financial difficulties, consider the following strategies:

- Advise them to seek the help of a financial counsellor
- Discourage the person from ignoring their financial difficulties and tell them that dealing with these difficulties sooner rather than later may make it more manageable
- Encourage them to delay making large purchases until they have discussed them with their support person
- Encourage them to apply for the range of concessions and financial assistance available, e.g. reduced car registration, council rates and energy costs to health care card holders
- If there is difficulty in paying utility bills (gas, electricity, water), encourage them to contact the utility provider and request 'hardship' assistance, as utility providers have, by law, provisions for people in financial hardship.

Be aware that every state and territory has an ombudsman to deal with difficulties with energy providers and that most financial institutions have policies about assistance for people who are experiencing financial difficulties. Be familiar with these policies and the positive role that financial institutions can play for people with mental health problems and financial difficulties. In cases where the client is not seeing a financial counsellor, encourage them to contact their financial institution as soon as they think they will experience financial difficulties.

Do not make payment arrangements with creditors regarding the client's debt without consulting with a financial counsellor, as there are specific consumer protection laws that might mean the debt does not need to be paid.

If you have provided information about your client's ability to make decisions concerning their financial situation to a financial counsellor or financial institution staff, you should review this on a regular basis or when the person's mental health condition changes significantly. See the section titled: Sharing information about the impact of the person's mental health problems.

Resources

The following resources are available to help people with financial difficulties, know how to access them and encourage client to use them:



- Centrelink benefits for people with mental health problems (<http://www.humanservices.gov.au/customer/subjects/payments-for-people-living-with-illness-or-disability>)
- Financial counselling services (<http://www.financialcounsellingaustralia.org.au>).

Explain what financial counsellors do and the potential benefits to your clients with financial difficulties and provide them with information about local financial counselling services. Also display signs about financial counselling services in your offices.

Relevant laws and professional codes of conduct

There are laws and codes of professional conduct that may apply to people with mental health problems and financial difficulties. You should have a thorough working knowledge of these relevant laws and professional codes of conduct related to:

- The appointment of a third party to manage their client's finances, e.g. financial administration order (see box)
- The interactions between a client with mental health problems and creditors

FINANCIAL ADMINISTRATION ORDERS

An Administration Order is a legal order to appoint an administrator to make financial decisions for a person with a mental incapacity. Administration orders differ in each state or territory. Please see the relevant websites for more information:

QLD: bit.ly/FinAdminOrd_QLD

SA: https://bit.ly/FinAdmin_SACAT

TAS: <https://bit.ly/TASCAT>

VIC: bit.ly/FinAdminOrd_VIC1

WA: bit.ly/FinAdminOrd1_WA

ACT: bit.ly/FinAdminOrd_ACT

NSW: bit.ly/FinAdminNSW

NT: bit.ly/FinAdminOrd_NT1

WORKING WITH FINANCIAL COUNSELLORS

With the client's consent, work together with the financial counsellor to:

- Deliver consistent messages to the client
- Ensure that the financial counsellor's 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 person is able to make specific decisions concerning their current financial situation



- Work with the client and their support person (carer or family member) 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.

TRAINING FOR MENTAL HEALTH PROFESSIONALS

You should be trained in the following basic skills in order to prevent and manage financial difficulties in their clients:

- Assisting the client to identify how their symptoms impact on their financial difficulties
- Assessing the pattern or history of the client's financial concerns
- Assisting the client to identify behaviours that have led to financial difficulties, e.g. impulsive spending, unstable work history.

SHARING INFORMATION ABOUT THE IMPACT OF THE PERSON'S MENTAL HEALTH PROBLEMS

It is recommended that a standardised form be developed to assist in understanding the impact of the person'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 person'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 person'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
- 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 person's mental health problems affect their ability to resolve their current financial difficulties
- The person's capacity for and level of understanding
- The person's capacity for decision-making
- Any factors that may be relevant to communicating effectively with the person about their financial difficulties, e.g. preferred mode of communication, comprehension problems
- A statement about how long the information on the form is valid for
- Details of any support the person 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 person
- The person'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 OF THESE GUIDELINES

These guidelines are about how a mental health professional can support a person who is experiencing mental health problems and financial difficulties. The 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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**FINANCIAL DIFFICULTIES AND MENTAL HEALTH
PROBLEMS: MENTAL HEALTH FIRST AID GUIDELINES
FOR MENTAL HEALTH PROFESSIONALS**



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