



## FACTSHEET

FOR EMPLOYERS  
AND MANAGERS  
FROM ABHR LIMITED



Please note that the information below is general advice only. While every care has been taken in compiling this factsheet, ABHR cannot be held responsible for any errors or omissions; the notes are not intended to be a substitute for professional advice, which can be sought directly from ABHR.

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## EMPLOYEE DEBT NOT YOUR PROBLEM?

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**Hayley Tatum, personnel director of Tesco UK Stores and Distribution, has recently announced that Tesco will be helping employees to manage their money during the economic downturn. They will be providing personalised reports for all staff summarising their benefits package, and are distributing the Financial Services Authority's guide to personal finance to all its 28,000 staff in the UK.**

Hayley Tatum said "We think this is something that all employers should consider doing for their staff."

### **So is employee debt your problem?**

Well at ABHR we believe it is. It's getting harder for employees to leave money worries at home and research shows that financial stress is impacting on the workplace and causing employers lost time, as distracted employees try to make payments, take time of ill with stress or simply just worry about their problems whilst at work.

Offering confidential debt advice and providing other types of financial education can help to relieve stress, improve attendance, reduce sick pay and associated costs and ultimately to help employees to become more productive. In addition by acknowledging employee problems and providing support your employees will feel that you value and care about them.

Therefore ABHR have provided some top tips to assist your employees with their debt problems and reduce the negative impact employee debt has on your business.

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### **TOP TIPS TO ASSISTING EMPLOYEES WITH DEBT PROBLEMS**

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**1. Do not be frightened** – Some employers are frightened to involve themselves with employees' personal finances possibly because they feel that they are intruding on their employees personal lives, that they do not believe employee debt affects their business or that they feel any support will be costly. However there are many benefits to be had from improving the financial awareness of your employees which are not intrusive or costly

**2. Educate Employees** – As Tesco have done you may consider implementing a Financial Awareness Programme, which provides your employees with key financial information and guidance booklets. This information will enable employees to become more financially aware and make informed decisions on their personal finances, benefits and pension plans etc.

**3. Get the timing right** – For those with debt problems, January is a particularly distressing month, the euphoria of Christmas is over and the credit card bills or loans for the Christmas overspend start to arrive. Therefore if you are considering the introduction of any form of financial support programme ensure that it is in place for the Christmas period in order to provide employees with advice on preventing debt over the festive season.

**4. Source a debt counsellor** – You may choose to provide employees with the details of free debt advice agencies such as 'The Citizens Advice Bureau', the 'Consumer Credit Counselling Service' or the, National Debtline.

Alternatively you may choose to secure the services of a private debt counselling agency or debt helpline for employees. These independent debt advice services can help employees to organise their debt into a manageable repayment programme and relieve some of the severe stress factors such as the threat of repossession or visits from bailiffs.

**5. Independent Financial Advice** – Some companies, mainly in the private sector are providing employees with independent financial advice, through either one to one sessions or workshops by an independent financial provider. However an employer needs to ensure that they do not offer an opinion to employees on any financial related matter, any advice offered must be through an independent Financial Advisor registered with the Financial Services Authority (FSA).

**6. Review your benefits** - Review your benefit scheme to ensure that all benefits offered are relevant and valued. In addition by providing detailed information and raising the financial awareness of your employees, this will assist them in making appropriate financial choices.

**7. Be Aware** - Few people are keen to talk about their financial problems, so be aware that if someone shows a dip in performance it could be money related, deal with this sensitively and confidentially. Typical warning signs of debt problems are; doing a large amount of overtime, asking for an advance on wages/salary, taking a large number of personal phone calls at work and any of the usual signs of stress such as short temperedness, increases absence etc, may also be an indicator

**8. Ensure Confidentiality** - Employees are less likely to want to seek advice on debt if they suspect that a manager or colleague may be made aware of their situation trouble. Make it clear that any debt advice is totally confidential and provided by specialists.

***We all know that a happy workforce is a productive workforce therefore why wouldn't you want to help your employees when it is in the best interest business performance?***



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