

Prospectus

How to host a financial counselling clinic



FCVic

Financial Counselling
Victoria Inc.

June 2023

Why host a financial counselling clinic?

The challenge of working in community settings

Community members are often looking for help with their questions about money.

- How can I set up a MyGov account?
- Can you help me to access my MyGov account and set up Centrepay to pay some of my bills?
- Can you help me withdraw my super?
- Can you help me get into my bank account online?
- I cannot afford this fee (example) for the carer group activity, can you arrange a waiver for me?
- I've got all these fines to pay and they are not even mine – someone else was using my car.
- Everything is getting so expensive, my bills are mounting up – I am so stressed!

As much as we would like to help, these sorts of questions are outside of our professional role. But it is part of our role to engage with members of our community – to ensure they feel heard and valued and not isolated. Being unable to bridge this gap can leave us feeling stressed and inadequate – or worse, forced into playing a role we are not qualified for.

The financial counselling profession

Financial counsellors are qualified professionals employed by financial counselling agencies to provide information, advice, assistance, advocacy and support to people experiencing, or vulnerable to, financial difficulty.

Financial counsellors are able to provide this help because their work is covered by licence exemptions, specifically the –

- Australian Credit Licence – *National Consumer Protection Act 2009*
- Australian Financial Services Licence – *Corporations Act 2001*.

There are strict conditions applying to these exemptions, including that a financial counsellor must –

- Provide a service that is always free of charge, confidential and independent (without conflict)
- Be a current member of their relevant professional body – in Victoria, this is Financial Counselling Victoria
- Maintain the requirements of the professional body, including undertaking sufficient professional development activity each year and abiding by the national practice standards.

Further detail on these requirements is available [here on Financial Counselling Australia's website](#).

Financial counsellors are highly skilled in working with people experiencing vulnerability in a supportive and empowering framework. A fundamental tenet of their work is a focus on person-centred practice. This places the person at the centre of the engagement with control over the process and decisions.

Benefits

Being exempt from holding a financial services licence and a credit licence means that a financial counsellor can, with their client's consent, speak to and negotiate with creditors on their client's behalf. Practically speaking, a financial counsellor can (always with client consent) –

- Access a client's bank account or other financial details
- Identify irresponsible lending or other reasons why a debt might not be legitimate, and challenge that arrangement
- Negotiate with a client's bank or other creditors, such as lenders, utility companies
- Organise affordable payment plans, pauses or waivers on a client's behalf.

This means that they have both the skills and legal permissions to work alongside someone to address difficulties they may be experiencing with money.

Since the work with a financial counsellor is confidential, your team's trusted relationships and connections, which are so essential to the support you provide, do not become 'burdened' or 'contaminated' with the shame or stigma that can attach to money problems.

The earlier someone accesses help with their financial problems, the more options they may have. Even if someone doesn't think they have any financial difficulties, problems may be lurking unseen. For example, they find they have less money than they expect, or they are unable to access their internet banking regularly or safely – these can be red flags.

Joyce, a 75 year old pensioner, was having trouble with online banking. She had probably asked a few people to help her over recent years. With Joyce's permission, the financial counsellor could access her bank account and her MyGov.

"Joyce," said the financial counsellor. "Can you tell me a bit more about the car payment coming out of your Centrepay?"

"What's Centrepay?" said Joyce. "I've never heard of it."

Unfortunately, it is not unusual for someone who has trouble with the skills needed for online banking to be unknowingly 'contributing' to someone else's lifestyle. The financial counsellor could work gently with Joyce to sort everything out without rocking the boat with her daughter, who had set up the Centrepay to get herself through a rough patch. The financial counsellor could reset Joyce's arrangements so she could manage them herself and explain it all to her.

In brief, the benefits of having a financial counsellor available are –

- Your team members are relieved of the stress and pressure of helping with problems they are not qualified nor legally permitted to help with
- Your team members' relationships with community members, so carefully developed over time, are not undermined or 'muddied' by money issues
- These same relationships enable early identification of a community member's need, and can encourage someone to engage with help without stigma or shame
- Community members get the help they need, when they need it.

Your team members can play a complementary role by engaging with FCVic's outreach programs. These include a range of resources and activities to assist your team members in –

- Having a productive, yet appropriate, financial conversation with a community member
- Providing useful information that someone may be able to use to help themselves, or to understand the kinds of help that may be available
- Introducing the person to the free, professional assistance of a financial counsellor – with the added benefit that “they will be here on Monday, let me book you in!”.

To view these resources, please [click here](#) or scan:



What would a financial counselling clinic look like?

A financial counselling clinic would provide community members who are already connected to your organisation with a private space to work confidentially and one-on-one with a financial counsellor.

The clinic could be set up to operate –

- On a once-off, or *ad hoc*, basis
- For a trial period on a regular schedule – for example, a regular half-day each week
- On a regular schedule for a specified period of time, with the option to repeat if agreeable to all parties.

The simplest arrangement would involve your organisation lodging an enquiry with FCVic via [this link](#). FCVic would contact financial counselling agencies located close by your organisation and assist in brokering discussions between your organisation and the agency about setting up a clinic.

Your organisation would need to –

- Provide suitable, private office space for confidential discussions
- Ensure all team members understand and follow these requirements
- Publicise the service and how to access it
- Identify community members who may benefit from financial counselling
- Coordinate bookings in a manner that maintains principles of privacy and confidentiality.

FCVic will be happy to work with your organisation to develop suitable preparatory briefings, checklists and confidentiality agreements for team members, for example.

Your organisation would also need to familiarise with the following financial counselling national standards –

- Code of ethical practice – view [summary here](#) and [full document here](#).
- Practice standards for agencies – view [full document here](#) and [self-assessment template here](#).

Note: Your organisation would not need to take on the role of an agency (unless you choose to). Rather, you only need to understand and comply with those aspects of the national standards relevant to your arrangement with an agency.

Sources of funding

As well as satisfying the legislative requirements detailed above, the financial counselling clinic would need to be self-funded. The existing financial counselling agencies are funded mostly from government sources, with some philanthropic funding. The legislative requirements for independence (no conflict of interest) preclude the financial services industry, such as banks, from directly funding financial counsellors' work.

Because funding is limited, agencies are under a great deal of pressure and have to prioritise the most urgent issues, for example, imminent homelessness, over the arguably more valuable upstream work in prevention. By separately funding your clinic, you can indeed provide this beneficial 'prevention' work to your community and relieve your team members from feeling the obligation to step outside their role and do it themselves.

To resource your clinic, a willing local financial counselling agency would –

- Augment their workforce in order to staff your clinic on the agreed schedule
- Accommodate the casework arising from appointments
- Provide the professional supervision, administration and training required.

We would envisage that the relationship you would build with the agency staff would support additional activities and resources within your setting, as part of the normal funded outreach activities of the agency.

As a guide, the funding envelope required (based on a half-day per week clinic, full year) would be in the range \$25,000 to \$40,000, subject to negotiated details of the service. Possible sources of funding to explore could include –

- Your local council
- A local philanthropic organisation, for example, Rotary
- Other community grant programs.

Further information

If you are interested in understanding and discussing these opportunities in more detail and specific to your own setting, please get in touch with us via [this link](#).

Acknowledgment of Country

FCVic acknowledges the Wurundjeri Woi-wurrung people as the Traditional Owners of the lands on which our organisation is located. We pay our respects to their Elders, past and present, and to the Elders of other Aboriginal and Torres Strait Islander communities throughout Victoria and Australia.

We recognise the continuing connection that First Nations communities have to land, water and culture, and acknowledge that sovereignty was never ceded.