Finding Ontological Security in a World of Precarity:

A Sociological Study of the Use of High Cost Credit by People on Low Incomes

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Abbreviations

APR	Annualised Percentage Rate
CDFI	Community Development Finance Institution
Discovery	Glaser, B. and Strauss, A. (2006 [1967]). The Discovery of Grounded Theory. New Brunswick [u.a.]: Aldine Transaction.
DWP	Department for Work and Pensions
FCA	Financial Conduct Authority
GDP	Gross Domestic Product
GT	Grounded Theory
HCSTC	High Cost Short Term Credit
MIS	Minimum Income Standard
ML	Moneyline
OECD	The Organisation for Economic Co-operation and Development
ONS	Office of National Statistics
SME	Small and Medium Enterprises

Dedication

In memory of Gualter Luis Bernardes.

Abstract

People on very low incomes can often pay the highest rates of interest for credit. This research aims to explore the experiences of people on low incomes who use high-cost credit to understand why people with the fewest financial resources are prepared to pay so much for credit. This thesis is situated in the field of microfinance, but the analysis also demonstrates relevance in the sociological fields of emotions, consumption, poverty studies, and working-class credit.

31 in-depth interviews were conducted with Moneyline customers. Moneyline is a not-for-profit Community Development Finance Institution which provides financial services including responsible and affordable personal loans, savings, and household insurance to people who find it difficult to access mainstream financial services. The interviews were analysed using grounded theory methodology which allowed participants to guide the direction of the research question, and limited bias which was a criticism made of earlier studies in this field. Grounded theory was used to explore this field as there was scant prior knowledge of it. A theory was developed which explains how people on low incomes manage the negative emotional reaction they experience as a result of financial and social exclusion, by using credit from a not-for-profit lender.

Findings indicate that participants felt that credit improved their financial and social inclusion despite poverty-line incomes and poor credit scores. Former negative emotional responses to financial and social exclusion were transformed, by financial and social inclusion, into positive emotional responses. Despite continuing external precarious financial and social circumstances, participants felt a deeper sense of ontological security.

The unique contribution of this thesis is that it challenges the pejorative narrative attached to high cost credit. It provides original empirical evidence to demonstrate the value low-income participants place on access to high-cost credit. Furthermore, this thesis makes an important contribution to knowledge regarding the emotional impact of financial inclusion for people on low incomes. It identifies how participants felt that credit increased their financial resilience, promoted emotional wellbeing, and reduced the lived experience of poverty.

“Small art and love and beauty their drudging spirits knew.

Yes, it is bread we fight for—but we fight for roses, too!”

Textile Strike, 1912 (Ross, 2013)

CHAPTER 1 - Introduction

Introduction

It is 22 September 2017. I'm interviewing a local man called Jason to talk about credit. I'm sitting on a broken sofa in his small dark cold lounge in a run-down council house. There is a very small tube television in the corner but no other forms of decoration. There are no pictures on the walls, none of his children's artwork, and tatty window coverings. Everything looks dark, old, and in need of repair. The wallpaper is peeling off the wall and the cooker and fridge in the kitchen are broken. An air of material deprivation and struggle hangs heavily in the room. Jason frequently breaks down in tears throughout the interview and when I ask if there is anything we have not talked about that he wants me to know, this is what he says:

"I called Oakham Credit because my freezer doesn't work on my fridge, door has fel (sic) off the dryer and the oven works when it wants to. (He mimics the advert) – 'oh, you speak to a person, not a machine.' So I thought I'd ring them up and ask them for £500. They asked me what it was for. I said 'Washer, Cooker, Fridge, Dryer – they're on their way out. I need new ones.' I did all the forms, (sarcastically – 'oh we help people') and do you know what they told me at the end? Sorry, we can't help you. You don't meet our criteria. But all over their adverts, they said they help people on benefits who have got money over £400. I get £400 without my kids' money. Just mine, money on my own. I get over £400, but they can't help me. Sorry but that's wrong."

What would you do if you were Jason? Would you use a credit provider such as Oakham if the interest rate was 1269% APR (Annualised Percentage Rate)[1]? Or would you continue with a kitchen full of broken white goods, even though you've got children to feed and keep clean, knowing that buying take-aways and using the laundrette will cost significantly more in the long-run than if you got a loan? Moreover, what do you do when even sub-prime credit excludes you, as it excluded Jason, do you turn to illegal lenders?

These are harsh choices which are all too real in the UK today, despite it being the fifth largest economy in the world (Alston, 2018). The UK has increasing levels of child poverty and food bank use with ever higher levels of desperation such as this evident in every town (Ibid.). Yet when people on low incomes with poor credit scores turn to credit to overcome their poverty, they are often turned away, or charged extortionately high rates of interest. They face a Hobson's choice of doing without or paying through the nose with extremely limited and sometimes dangerous credit choices, and this does not seem fair.

This is a study of credit which challenges current thinking on the use of high-cost credit by people on low incomes. It investigates the seemingly paradoxical use of high-cost credit by the nations' poorest people. High-cost credit has a history of being considered

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[1] Oakham Loans interest rate as of 18/10/2019 https://national-loans.co.uk/?gclid=CjwKCAjwxaXtBRBbEiwAPqPxcEr4lUHriKvClEbFCHMo4rtgoyPX13hSqhUL7FQn5NiTZw_SYZkZYBoCRlEQAvD_BwE

exploitative and this has not changed (Kempson and Whyley, 1999; Taylor, 2002; Leyshon and Thrift, 2005; Littwin, 2008; Lenton and Mosley, 2012; Anderson, 2015). High-cost credit lenders are referred to in the popular press as 'legal loan sharks' (Goff & O'Connor, 2011; Creasy, 2018; Edmonds, 2018). This is due to their high interest rates which are unpalatable to the general public. High-cost lenders are publicly and nationally condemned. Claims of exploitation receive high-profile support from religious figures and celebrities such as the Archbishop of Canterbury - Justin Welby, Michael Sheen and Theo Paphitis. Justin Welby supports calls for a debt jubilee (Jubilee Debt Campaign, 2018) which is a 'general society-wide cancellation of debt' (Wilson, 2020) that has religious and historical antecedents dating back to 2,400 BC (Graeber, 2014). Sheen set up the 'End High Cost Credit Alliance' in 2018 (The Alliance, 2020) to 'offer solutions', 'call for changes to policy' and influence capital flows to invest in fair finance providers (Ibid). Theo Paphitis calls pay day lenders a 'cancer' in our society (Milligan, 2014). Indeed, when describing my research to friends and colleagues, I get the inevitable wince when I mention the 209% typical APR paid by my participants.

As well as being expensive, high-cost credit also has features which many have requested to be banned or heavily regulated (Littwin, 2008; Davis, 2013; The Bureau of Investigative Journalism, 2013; FCA, 2017; Whelan, 2018; FCA, 2019[c]) because they exploit vulnerable people on low incomes who have few alternatives (Dobbie and Skiba, 2011; Lenton and Mosley, 2012). Despite this, people on the lowest incomes continue to pay the highest rates for continued access to high-cost credit with considerable impact on their weekly budgets. Demand for it continues to grow (Rowlingson and

Kempson, 1994; Kempson and Whyley, 1999; Inman and Barr, 2017; Hadjimichael and McLean, 2017; Whittaker 2017). Demand notwithstanding, there are those who believe that people on low incomes need to be protected from their own poor choices (Campbell *et al.,* 2011; Gentleman, 2013; Anderson, 2015). They are criticised as being irresponsible and wasteful when they use high-cost credit for consumer purposes as well as fiscally irresponsible (Rowntree, 1902; Campbell *et al.,* 2011; Cottom, 2013; Gentleman, 2013; Joint Public Issues Team: Baptist, Methodist and United Reformed Churches, 2013; McKenzie, 2015). They are considered financially stupid (Anderson, 2015) and irrational for borrowing at such high rates of interest when they have low incomes (Werbner, 1996; Banerjee and Duflo, 2012; Lenton and Mosley, 2012). Despite impossibly low and precarious incomes, the expectation is that they save instead (Gov.uk, 2018).

Judgement and criticisms of both the working class for using credit, and the providers of high-cost credit are not new. Criticisms grew in tandem with the rise of higher purchase forms of credit. This excerpt from *Saving and Spending* (Johnson, 1985) demonstrates the moralistic tone of the critics and how people are blamed for their impatience and lack of perseverance, presumably, to save:

‘A typical criticism was that ‘people are persuaded to shoulder staggering debts. They mortgage their future wages and salaries. Every pay-day a collector calls at the door or a payment has to be sent to a shop.’ Why was this done? Simply because ‘very few people have patience and perseverance. They are willing to sacrifice the Future to the Present. They take short views of life.' (Casson, 1930 cited Johnson, 1985:158).

This is not an uncommon view of the high-cost credit industry and its customers. It comes from a place, largely, of middle-class benevolence (Johnson, 1985), but also, there is a smattering of condescension directed toward the poor who use expensive credit (Dodd, 2014; Graeber, 2014), and moral disgust at those who lend to the most vulnerable at high interest rates (Graeber, 2014). The narrative surrounding this 'exploitative' industry is based on assumptions about the needs of low-income families which are untested and not based on direct data from low-income families about their use of credit (Littwin, 2008).

The ongoing discussion about the 'exploitation' of people on low incomes, with regards to 'extortionate' interest rates (Campbell *et al.*, 2011; Dobbie and Skiba, 2011; Lenton and Mosley, 2012; Gentleman, 2013; Kempson and Whyley, 1999; Lenton and Mosley, 2012), resulted in the Financial Conduct Authority imposing an interest cap on pay day lenders (FCA[b], 2014). This action was welcomed by high-cost credit's critics (ABCUL, 2014; Citizens Advice Scotland, 2014; Knapman, 2014) but it had unintended consequences. The cap reduced the viability of very short-term low value loans (Personal Finance Research Centre, University of Bristol, 2013). Additionally, the number of approvals for those on lower incomes was reduced due to tighter lending requirements (Ibid.). This reduced access for those excluded from mainstream sources of credit (FCA, 2018), thus reducing the numbers of people using pay day lenders (FCA, n.d.). This resulted in a contraction of the industry as players exited the now less profitable market (Alexander, *et al.*, 2015; McDermott, 2016). This may have been considered a success by the regulators, but it also reduced choice and potentially forced people to use alternative and more expensive forms of credit. It also resulted in increased levels of default on primary debt such as council tax and utilities (ABCUL, 2014; Citizens Advice Scotland, 2014; Knapman, 2014). This potentially drove people towards unscrupulous and illegal money lenders (Alexander, *et al.*, 2015; Bow, 2017) which can occur when the credit industry is too tightly regulated (Tebbutt, 1983). These unintended consequences demonstrate that 'you can regulate away the supply but you can't regulate away the demand' (Jane Tully cited Bow, 2017).

The evidence shows that the demand for unsecured credit by people on low incomes is tenacious and growing (Kempson and Whyley, 1999; Hadjimichael, 2014; FCA, 2014; Anderson, 2015; Boelman *et al.*, 2016; FCA, 2017; Harari, 2018) and is being used to help people to manage their precarious economic environment (FCA, 2019[b]). There have been declining wages since 2001 (Office of National Statistics, 2018), which despite recent aggregate increases in wage growth (Office for National Statistics, 2019[b]) have still not caught up to previous levels. The national living wage is insufficient to meet the average spending levels of a family with two adults and two children (Office of National Statistics, 2018) and the number of people earning below the national minimum wage has increased (D'Arcy, 2017; Office of National Statistics, 2018[b]). The economy shrank between April and June 2019 (Office of National Statistics, 2019), and Brexit related uncertainties are argued to have already added £400 a year to the cost of living for people in poverty in the UK (Holger Breinlich *et al.*, 2017 cited Alston, 2018).

Typically, the conditions of work are poor for people in the lowest-paid and entry-level jobs. They are characterised by long hours and erratic shifts. Other precarious features include lack of clarity or consistency over scheduled hours to be worked, underemployment, fear of losing your job, insufficient earnings and lack of support from unions, together with a very low likelihood of job progression from entry level jobs (D'Arcy, 2017; 2018). 22 percent of women and 14 percent of men are on a low income (D'Arcy, 2018) and there is increasing in-work poverty as well as an increase in children living in poverty (Taylor-Gooby and Taylor, 2015; Barnard, 2018). Changes in Universal Credit mean that benefit recipients who traditionally had low, but stable incomes, are now living with stress and uncertainty due to the introduction of increased conditionality criteria and sanctions (Duncan-Smith, 2014; Webster, 2014; The Work and Pensions Committee, 2014; Corlett and Gardiner, 2015; Taylor-Gooby and Taylor, 2015; Cowburn, 2017; Alston, 2018; Reis, 2018; Butler, 2018; Alston, 2018). It is likely that these highly unstable economic and work-life conditions will exert an upward pressure on demand for credit which will continue to grow as people increasingly struggle to cope with the expenditure of daily life (FCA, 2017[c]; FCA, 2019[b]).

One could ask why this group do not use mainstream credit instead, and in fact, many do (Littwin, 2008; Mann, 2008; Hartfree and Collard, 2014; ONS, 2018[c]). Some people in this group also choose not to consume credit, with 75 percent doing so out of choice

(Hartfree and Collard, 2014). Others choose to use a credit union which has cheaper interest rates or use a Christmas club for seasonal purchases. But for those who want to use credit and are financially excluded from mainstream credit, High-Cost Short-Term Credit (HCSTC) responds to that demand, and over 5.4 million such loans were taken in the year to June 2018 (FCA, 2019).

It is important to understand what the term High-Cost Short Term Credit means. The key characteristics of the Financial Conduct Authority's (FCA) definition of HCSTC is that it 'carries an annualised percentage rate (APR) which 'is equal to or exceeds 100 percent' and the credit provided should be 'repaid or substantially repaid within a maximum of 12 months' (Handbook.fca.org.uk, 2018). Over three million people use this form of credit (Harari, 2018) which carries an overall cost of credit which far exceeds that paid by people on higher incomes who use credit. Therefore, this is one component among many of the 'poverty premium' (Davies *et al.*, 2016). The poverty premium is the additional cost people on low incomes have to pay to access goods and services. Poverty premiums are highest for people who use high-cost credit[2] and Davies *et al.* identify that 'there is still an unmet need for low-cost micro loans for financially excluded consumers and a role for social investors, financial institutions, charities and Government to work together to develop a larger-scale offer of affordable credit alternatives' (2016:11).

[2] Although 'unarranged overdraft fees can be more than 10 times as high as fees for HCSTC such as payday loans (FCA[c], 2018)

The literature indicates that people on low incomes use high-cost credit because they have few alternatives at their disposal (Rowlingson and Kempson, 1994; Kempson and Whyley, 1999; Anderson, 2015; Boelman *et al.*, 2016), that they need to even-out precarious income and income shocks (Rowlingson and Kempson, 1994; Dearden *et al.*, 2010; Dobbie and Skiba, 2011), as well as manage consumption (Bateman, 2010; Boelman *et al.*, 2016). There are also features of high-cost credit which more closely meet the needs of people on low and changeable incomes, such as speed and ease of access, convenience, and flexible repayments. This makes them attractive credit options for this demographic (Rowlingson and Kempson, 1994; FCA, 2014; Alexander *et al.*, 2015; Boelman *et al.*, 2016). However, the underlying motivation underpinning demand for these products by this group is less clearly understood (Campbell *et al.*, 2011), and this is what forms the starting point of my inquiry.

My inquiry comes from a position of dealing with the reality of the situation as it is, whereby some people on very low incomes pay the highest rates for credit because they are excluded from mainstream credit (Beddows and McAteer, 2014; Davies *et al.*, 2016; Alexander, 2017) and yet demand continues apace. My position is in line with Martens who argues that the 'scholar's task, in the first instance, is not to moralise, but to understand how common everyday moralities come about, and to explore what the consequences are' (2018:7). As such, this is not an inquiry underpinned by a moralistic idea that high-cost products should be banned to protect people from being 'exploited', or from the folly of their own credit desires. Those perspectives, as laudable as they might be, can have negative unintended consequences and can generate further financial exclusion (Littwin, 2008) as evidenced by the contraction of the payday lending market following the cap on interest rates. This is not a discourse about austerity or government policy; it is not about the rights and wrongs of poverty and how it is measured, although that is discussed in the literature review for context.

There is an argument that paying expensive rates of interest when you are on a low-income is fiscally illogical (Werbner, 1996; O'Connell, 2009; Sivanathan and Pettit, 2010; Anderson, 2015). But such 'illogical' behaviour can be better comprehended when the underlying motivation for the behaviour is understood (Ainslie and Haslam, 1992; Campbell et al., 2011; Waupsh, 2017). Thus, the focus of this thesis is to understand the motivations which underpin the demand for high-cost credit by people on low incomes. I want to understand why they use it and why they are prepared to pay so much for it.

Aim and Objective

Therefore, the aim of the study is to theoretically explain the phenomenon of high cost credit use by people on low incomes. The objective is to explore the participants' experience of high cost credit, to identify key parts of the phenomenon and the relationships between them. I have chosen to use a classic grounded theory method to do this because little is known about the phenomenon of high-cost credit use by people on low incomes and grounded theory is one method recommended for use in fields such as this (Glaser and Strauss, 2006 [1967]). The aim and objective are vague by design, congruent with grounded theory, to allow the participants to define the research question (Glaser, 2009) and to avoid a prior hypothesis (Glaser and Strauss, 2006 [1967]). The participants define the research question rather than the researcher because the researcher does not know them until they emerge as 'research questions suggested by previous answers' (ibid.: 47). In this way, the participants determine what is important through what they choose to say, and this is used to formulate the research question.

The aim of any grounded theory is to discover a substantive theory of a basic social process that is derived from social research data which is systematically collected (Glaser and Strauss, 2006 [1967]). It is based on data which 'fit[s]' and 'work[s]' in the field (Ibid:3) and is not based on logical deductive reasoning (Ibid.) Therefore, in order to build a theory based on data, (using the participant's definition of the research question, rather than logical deductive reasoning), a vague objective is also used which is then clarified during the research process using the data collected.

Choice of research setting and overall data collection strategy including an explainer on the definition of High Cost Short Term Credit

High-cost Short-term Credit (HCSTC) as defined above, is an unsecured loan under £25,000, paid back in fewer than 12 months, with an APR of not less than 100 percent. There is no restriction on its use (Handbook.fca.org.uk, 2017). The participants in this study are customers of Moneyline. Moneyline is a not-for-profit Community Development Finance Institution (CDFI). CDFI's are 'publicly funded organisations that provide small loans to people in financially underserved areas' (Kneiding and Tracey, 200:237). These emerged in the late 1990s to promote community development (Ibid.) and to provide an alternative to commercial high cost credit providers by providing financial services such as short-term loans for individuals and businesses at more reasonable rates compared to commercial high cost short term credit.

Although CDFIs are not classed officially as high cost short term credit (HCSTC), Moneyline's rates exceed the 100% APR lower limit that the FCA uses to define High Cost Short Term Credit and their loans, as per the FCA definition, are also unsecured and repayable within 12 months.

Other terms used for this sector are responsible finance providers, community finance, and consumer microfinance. Responsible finance providers are 'organisations such as community development finance institutions (CDFIs) and credit unions (CUs) who provide access to finance in a fair and transparent way that places people first' (Responsible Finance, 2020). Community finance is funding for businesses from alternative providers to mainstream business finance and is otherwise known as community investing. These are investments into poor areas through credit unions, loan funds, microfinance institutions and community development banks. It's linked to socially responsible investing and the aim is to improve economically disadvantaged areas by 'offering banking services and small loans to fund businesses, non-profit groups and affordable housing initiatives (Investopedia, 2020). Consumer microfinance is small personal lending products (less than £1,000) 'to meet consumption needs, pay off debt, and in particular escape from the grasp of the doorstep lender' (Lenton and Mosely, 2012:11).

CDFIs, responsible finance providers, community finance and consumer microfinance intend to be different because they are socially driven rather than motivated by profit (Big Society Capital, 2020), they provide ancillary services such as debt advice, and they are 'asset locked' which means that there is a limit to the amount of dividend a private investor can receive (Office of the Regulator of Community Interest Companies, 2016).

This notwithstanding, Moneyline provide a similar service to commercial HCSTC businesses with terms which meet the criteria set by the FCA for HCSTC. Their APR often exceeds 200 percent and is therefore not less than 100 percent. The loans do not exceed £25,000, as the average loan is £569 (Pughe *et al.*, 2018) and the average repayment term is 10 months, which is well within the time limit for a short-term loan. The loans are also unsecured. Despite meeting all the criteria for HCSTC, the Financial Conduct Authority (FCA) who regulates HCSTC states that lending from community development finance organisations such as Moneyline is excluded from the definition of HCSTC because they are registered as a co-operative and community benefit society (Mutuals Public Register: East Lancashire Moneyline (IPS) Limited, 2020). This takes them out of scope for FCA regulation and they are not included in the statistics on the high cost credit sector. They are instead referred to as 'mid-cost' credit (FCA[b], 2018: 10) which reflects their lower (but still high) interest rates.

Given the very small scale of the CDFI sector, awareness of it continues to be low (Cates and Larson, 2010; The Sustainability of Community Development Finance Institutions, 2015; Dayson, Vik and Curtis, 2020), and most of the criticism aimed at high cost credit in regulatory reviews, and grey and academic research literature is aimed at the commercial high cost credit sector which charges higher interest rates (Collard and Kempson, 2005; National Audit Office, 2012; the Guardian, 2018; Wilton and Bennett, 2020).

However, it should be noted that when Collard and Kempson (2005) criticise high cost credit, they discuss it in terms of commercial providers offering APRs of between 100 percent and 400 percent. Their discussion of community-based lending they reference Moneyline (p.4) is in the context of such providers having APRs of between 24 percent and 31 percent (p.4). Furthermore, Wilton and Bennet (2020), in discussing alternatives to high cost credit, also state that the rates charged by CDFIs are 'high' (p.18) because they exceed 100 percent and sometimes exceed 200 percent. But they acknowledge that they are still a lower cost option than commercial products with rates in excess of 1000 percent. Also, on the 6th of March, 2019, the Financial Conduct Authority wrote a 'Portfolio Strategy Letter to firms providing high cost lending products' to 'set out the key risks that High Cost Lenders pose to their customers…', and they state in the letter that this also applies to some community finance institutions (Fca.org.uk, 2019:2). However, high profile critics of high cost credit such as Michael Sheen are supportive of responsible finance providers (CarnegieUK Trust, 2018).

Because Moneyline do meet the technical criteria of the FCA definition, whilst the cost of credit is low in comparison to much higher commercial alternatives, when you compare Moneyline's interest rates to mainstream loans, they are objectively very high, and are twice as high as the FCA lower limit for high cost short term credit. It is possible that this is why the FCA (2019) included them in its Portfolio Strategy Letter, and why Wilton and Bennett call the rates charged by CDFIs 'high' (2020). It is for that reason that I define Moneyline as a high cost short term credit provider, although I acknowledge that this deviates from some of the understanding in the academic and grey literature which reserves this term for commercial credit. What makes Moneyline loans different is not so much it's cost, (although it is lower), but the responsible way in which it is provided, which is why one of the terms I will use in the thesis is 'responsible high cost credit'.

The implication of categorising CDFI loans as high cost credit to the reader is the possibility that a reader could misunderstand the type of credit under discussion, however, I could not find literature to explain why CDFIs should be classified as 'mid-cost' despite meeting the FCA's own definition of high cost short term credit, and it inconsistent with the FCA's 2019 decision to include it as a high cost provider (fca.org.uk, 2019). However, it does have responsible lending practises which differentiate it from the commercial providers, and this is why I instead refer to it as 'responsible high cost short term credit'. There are significant differences in the method of delivery of responsible high cost credit compared to the commercial sector and the positive experience of participants in study who use Moneyline credit is in complete contrast to their negative experience of commercial high cost credit. This is made clear in Chapter 6 – Findings Chapter One – Addressing Exclusion.

Although Moneyline's personal lending products match the HCSTC criteria in every defined way, its social rather than profit motive aligns it closely to the microfinance camp. The scant academic research that currently exists places CDFIs within the field of microfinance (Rogaly *et al.*, 1999; Lenton and Mosley, 2012). This makes it difficult to situate Moneyline within the literature, but for the purpose of this thesis it will be referred to as a responsible HCSTC provider with the term 'responsible' being taken from the name of the trade association Moneyline is a member of (https://responsiblefinance.org.uk/). However, elsewhere depending on the context and extant literature being referred to, Moneyline may also be referred to as a microfinance lender, HCSTC provider, responsible lender and CDFI.

History and Development of Moneyline

This PhD is an industrial case studentship (iCase) where 'businesses take the lead in arranging projects with an academic partner of their choice' (University of Salford, 2018) with the aim of 'mutually beneficial research collaboration between academic and partner organisations' (Ibid.). The company partner in this iCase is Moneyline who are a CDFI who provide high-cost short-term loans at a more competitive price than commercial credit providers in order to fill the gap in the credit industry that financially excludes certain people on low incomes.

To put this organisation into context, what follows is their history and a description of their business activity and future ambition. Moneyline was created as an Industrial and Provident Society Institution for the benefit of the community in 2002 (The Cabinet Office, 2015). The concept was developed out of a document written in the 1990s called *Investing in People and Places* (Dayson *et al.* 1999). This set out a different way of tackling financial credit inequalities which addressed the then government's objectives of improving the understanding of social exclusion and promoting solutions to address it. Dayson *et al.* (1999) proposed a solution which involved a collaboration between mainstream financial institutions who contribute their expertise and resources, anti-poverty funding agencies who provide money from public funds and practical help, and voluntary community groups who are rooted in the community to provide key contacts and the impetus to set up the organisation. This document laid out the model of the corporate structure and how it would work financially.

Locally, the aim was to provide a non-profit social alternative to the growing number of high-cost, doorstep and unlicensed lenders that then existed in Blackburn (Pitman *et al.*, n.d.; Moneyline 2016, Personal Communication, 20 October). These were used by local residents to buy things like school uniforms, and to pay for school trips to make sure their children could fully participate in school life. They were also borrowing to purchase presents and fund festivities, such as birthdays and religious festivals, which are important social customs, and funding family holidays (Pitman *et al.*, n.d.).

Operationally, it aimed to be ‘self-sustaining’, a ‘local investor in people’, and ‘endeavour(ed) to improve (people’s) quality of life’ (Dayson *et al.*, 1999:43).

Moneyline increased the financial choices available to low-income households and improved their customers’ ability to be financially resilient by offering a related savings product. Customers could use this to build a small pot of their own savings, in addition to the loans, to use as a financial buffer (The FSE Group, 2018). Furthermore, Moneyline were aware of the fluctuations in income that their typical income demographic (often the bottom 5 percent of the income distribution) experiences and therefore adopted a flexible approach to repayments (Ibid.). They have grown to become one of the dominant community lenders in the UK (Ibid.), with 17 branches across the North-West of England and South Wales (Moneyline, 2018). They intend to increase their lending by extending their presence over a larger geographical area and introducing new delivery channels (The FSE Group, 2018).

During Moneyline’s inception, Barclays and Lloyds Bank agreed to participate and provide funding (Dayson *et al.*, 1999), and Barclays placed a senior member of staff within the newly created organisation to support its development and to work with the community (Moneyline 2019, Personal Communication, 4 October). Further funding was obtained from the European Union by Darwin Borough Council following a survey of Blackburn residents to demonstrate that there was sufficient demand. The money, most of which was from the European Regeneration Development Fund was received over a six-year period. Moneyline received additional funding from other sources and secured £1.8m from the Phoenix Fund[3] over the six-year period because originally, they lent to both individuals and small businesses. In 2006, Moneyline received £5.7million from the Department of Work and Pensions (DWP) in the form of contractual grants through the Growth Fund which was set up by the Labour Government to tackle social exclusion (Moneyline 2016, Personal Communication, 20 October).

The Growth Fund grants ceased in 2012 due to a change in UK Government strategy. This moved CDFIs towards a model of independent financial sustainability rather than being dependent on grants. However, as I shall explain, this increased the cost of credit. By contrast, it is interesting to note that the French model is one where the government set up a national public guarantee fund which covers fifty percent of the risk of default (European Microfinance Network, 2015). The French governance structure is one whereby the loans are on the balance-sheet of a major local bank who also sit on the executive board of the microfinance provider. This provides experience and helps to pool resources and reduce costs. The result is an APR of less than 4 percent a year (Ibid.). French regulation caps the interest rate to 21.15 percent APR for loans smaller than 1,524 Euros (as of July 2010 cited Deeming, Collard and Hayes, n.d.). The national public guarantee fund model is described in Dayson *et al.*'s 1999 report, but it did not become the funding structure which was adopted in the UK. This might be because the

[3] The Phoenix Fund was a central Government fund set up provide medium term support for 'new small business-oriented loan finance institutions' such as CDFIs as part of the activities of the Social Exclusion Unit (Lenton and Mosley, 2012:10)

highly restrictive cap on interest rates has been argued to reduce credit choices for people on low incomes (Deeming, Collard and Hayes, n.d.).

As a result of the cessation of the grants, Moneyline changed their funding model as they had been 'grant dependent' and there was an 'unrealistic gap between the price of the product to the customer and the cost of delivery' (The Cabinet Office, 2015). Moneyline met this challenge by charging increased interest costs which were a more accurate reflection of the cost of delivery. They obtained lending capital from social investors and they secured the grant finance necessary for infrastructure costs to enable them to grow (Ibid.). Moneyline attracted social investment in the form of an unsecured loan of £750,000 from the Social Impact Accelerator Loan Scheme through the FSE group, which was part of a total package of investment from other social and commercial investors valued at £3.25milion (The FSE Group, 2018). The FSE group are an organisation who provides funding solutions for small and medium enterprises. They have a Social Impact Accelerator (SIA) Loan Scheme for organisations who have a social impact.

Since 2012, Moneyline has attracted £6.4m in social investment from a range of social investors focused on impact in financial inclusion. They include Big Issue Invest, RBS Social and Community Capital, Joseph Rowntree Foundation, Esmée Fairbairn Foundation and Social Investment Scotland (SIS) via a transfer of the fund from the FSE group. The funds are in the form of term debt[4] with a range of interest rates (between 6.75% and 10%) dependent on if it is secured against the loan book (Moneyline 2020, Personal Communication, 31 January).

Financial products serving the financially excluded include costs which increase the APR in order to maintain sustainability (The Cabinet Office, 2015). These include the high costs of relationship lending. This is a form of lending which takes place face-to-face; a loan agent sits with the loan applicant to review their application personally in a branch office. A relationship banking model is necessary due to the very low credit scores combined with the poverty line incomes of Moneyline customers which would mean they would usually fail an automated credit check. The face-to-face model is a practical way to complete the affordability checks required to serve this demographic. However, this creates costs and overheads that are high relative to the size of the loans, particularly when compared to very cheap instantaneous automated forms of credit scoring. These costs are factored into the cost of credit (FCA, 2019[b]). Other factors include write-offs, distribution and operating costs (premises, utilities and a wages bill

[4] 'Term debt is a loan with a set payment schedule over several months or years. For example, say you borrow $50,000 and pay the money back with monthly payments over five years. These types of loans typically have a fixed interest rate with set payments, which makes them very predictable.' (Kassar, 2015).

which on its own accounts for 47 percent of their income), as well as the interest cost of the on-lend capital (the money which they borrow in order to lend).

Moneyline introduced a telephone product in 2017 that was marketed locally and via Facebook and other social media. The benefit of this approach is that it can enable the organisation to have a larger geographical reach without needing to open new branches, thus saving money. The loan size is larger through this channel than that traditionally offered, but significantly more profitable as a result of the lower fixed costs of producing the product. Credit checks are used for the telephone service, whereas income and expenditure checks are used in branch.

Theoretically, given their repayment schedules, clients could save in advance by saving the repayment amounts instead, thereby avoiding hundreds of pounds each year in interest costs which could then be spent on themselves or their families. However, the literature states that low income and financial instability contribute to an inability to save (European Commission, 2008; Dayson and Vik, 2011; National Housing Federation cited House of Lords, 2017). A more detailed look at the barriers to saving are found in the next chapter, 'Financial Exclusion'.

However, despite being a high-cost lender, Moneyline estimate that during 2014 it saved its customers, of whom 70 percent are in the lowest 20 percent income bracket, more than £2.5million in interest by providing an alternative to payday and doorstep lenders (Moneyline 2015). It is claimed that as its services increase, so will the savings (The FSE Group, 2018).

Situating the topic in relevant research

Similar to Moneyline customers, there is evidence in the literature that HCSTC is widely used for consumer spending in developing and developed countries in the form of microfinance, CDFI loans or commercial credit (Berthoud & Kempson, 1992; Rowlingson & Kempson, 1994; Calder, 2009; Bateman, 2010; Personal Finance Research Centre, University of Bristol, 2013; Hsu, 2014). The willingness to accept the high cost of credit for access to money to spend on consumer goods implies that the consumer goods purchased hold a high level of importance for those who are buying them. But so far, I have not seen research to support this implication despite the wealth of academic research dedicated to the study of credit for people on low incomes, although this is usually enterprise microfinance in developing countries.

The results of research on microfinance and its impact internationally have been inconsistent and inconclusive (Duvendack *et al.*, 2011). They range from there being no clear evidence to conclude that microfinance programmes have positive effects (Bauchet *et al.* 2011; Duvendack *et al.*, 2011) through to them having a 'moderately positive, but not transformative effect' (Banerjee *et al.*, 2015; see also Lenton and Mosley, 2012). There is a general agreement that the high expectations for poverty eradication through microfinance were overestimated (Rogaly *et al.*, 1999; Bauchet *et al.*, 2011). Many microfinance studies are criticised for having weak methodologies, inadequate data, poor research design and selection biases (Duvendack *et al.*, 2011; Banerjee *et al.*, 2015).

Most of the developing and developed country microfinance research is based on income generation from lending for micro business creation. But this is problematic because the money was often used for consumption purposes instead (Rogaly *et al.*, 1999; Bateman, 2010; Bauchet *et al.*, 2011). Thus, the research questions were based on an erroneous set of assumptions focusing on poverty eradication rather than increased consumption levels. This might go some way towards explaining the inconsistent results of many of the microfinance studies, together with their aforementioned methodological problems. Additionally, many of the studies use randomised control trials (Bauchet *et al.*, 2011; Duvendack *et al*, 2011; Banerjee *et al.*, 2015) but often these do not take place for long enough to understand the real benefits of the intervention they attempt to measure. Furthermore, microfinance in Europe is strictly defined as lending for enterprise (Kraemer-Eis and Conforti, 2009; Corbucci, 2016). Therefore, we see the same problems in Europe as in developing countries whereby the studies which have taken place reflect the presumed, rather than actual, loan purpose. But not enough research has been carried out to know if people in Europe are using these loans for consumption purposes instead, as they appear to do in developing countries.

Research studies on microfinance for consumer consumption in an industrialised context is less prevalent (Lenton and Mosley, 2012) and very little has been written about microfinance in the UK which may be due to the very small number of personal-lending CDFIs in the UK (Hadjimichael and McLean, 2017; FCA 2019[b]). The small scale of the sector makes it difficult to evaluate due to insufficient and poor-quality data (Swack *et al.*, 2014) and there are other factors which problematise researching the effect of CDFIs (Ibid.). For example, the communities which use them are complex, so determining whether an effect is due to the CDFI factor or another factor is difficult. Also, there are a variety of loan purposes for CDFI lending and outcomes are still focused on job creation and economic growth rather than the personal impact of the loan (Ibid.).

This notwithstanding, there are two key texts which address CDFI lending in the UK. Rogaly *et al.'s* 1999 text is concerned with the *potential* benefits microfinance could bring based on international examples. However, the poverty-reducing promise of microfinance upon which this book is based on has been heavily criticised (Bauchet *et al.*, 2011; Duvendack *et al*., 2011; Banerjee *et al.*, 2015) and microfinance in developing countries is not now the poverty panacea which it appeared to be in the 1990s. Lenton and Mosley's 2012 work addresses UK CDFI providers in general, including both lending for enterprise and personal lending, and their work is to be commended for subjecting UK CDFIs to academic study in a hitherto under-researched field. I am grateful for their early perspective in this field, as to date, there is still very little additional research into personal lending through CDFIs.

The primary focus of Lenton and Mosley's study is on enterprise lending as this is the largest component of microfinance lending in the UK. That notwithstanding, the authors did address personal lending, and this was ground-breaking in its acknowledgement of personal-lending CDFI's and attempts to evaluate their impact.

This is a welcome starting point in the literature where none previously existed in the UK.

Nevertheless, even here where personal lending has been addressed, it has, similar to other studies, not necessarily asked questions which reflect the actual use of the loans. They have also not asked service users themselves what the benefits of microfinance are which would help to understand it. Instead, the authors have used an approach based on expected and assumed benefits of microfinance. But it is not clear how these benefits were determined. They conclude that personal-lending CDFI loans provide an ‘insignificant’ benefit (Lenton and Mosley, 2012).

This means that there is a need for a focused study of personal lending microfinance within the UK which is based on the actual, rather than assumed, use of the loans which is grounded in the experiences of customers to understand why they continue to use high cost credit. This, therefore, is a rigorous academic qualitative UK study of a personal-lending CDFI in the UK. It is deeply rooted in the experiences of the people who use it which, as Swack *et al.* (2014) agree, is necessary to understand the results of CDFI lending and to what they may be attributed.

Scope of Research

As I have discussed, the quantitative methods, and use of randomised controlled trials in studying microfinance and CDFI forms of credit may have resulted in inconsistent and inconclusive results regarding their effect on the lives of the people that use them; a problem also identified by Sparkes (2019) in his work on credit-facilitated consumption by middle to upper class income groups. Furthermore, many of the well-meaning assumptions inherent in research-to-date are not based on the lived experience of the low-income families using credit (Littwin, 2008). To overcome these issues, I adopted the inductive, bottom-up approach of grounded theory, to investigate the problem of why people on the lowest incomes continue to use very expensive forms of credit when instead, they could save, use credit unions or do without. In doing so, I approach the problem from the point of view of those who are experiencing it to attempt to limit preconceived bias or assumptions (Glaser and Strauss, 1967). Grounded theory is explained in detail in the methodology chapter but suffice to say that it is a systematic research approach which I used to create a theory which explains the use of responsibly provided high-cost credit by low income customers. This approach which gives the participants, who are from the lowest income demographic in the UK, a voice, when they are so often despised, ignored and misrepresented (Lister, 2004; Shildrick *et al.*, 2012; Joint Public Issues Team: Baptist, Methodist and United Reformed Churches, 2013; McCarron and Purcell, 2013; Tyler, 2013; Pemberton *et al.*, 2014; Lister, 2017; Boland and Griffin, 2017), and whose financial practices are often disparaged (Rowntree, 1902; Werbner, 1996; Banerjee and Duflo, 2012; Lenton and Mosley, 2012; Cottom, 2013; Joint Public Issues Team: Baptist, Methodist and United Reformed Churches, 2013; McKenzie, 2015; Anderson, 2018).

Structure of the Thesis

This study contributes to the literature by providing an empirically grounded account concerning the lived reality of poverty and credit use at an individual level. It describes the experience of financially excluded individuals and how responsibly provided, albeit high-cost, (micro)finance can transform that experience. The grounded theory *Finding Ontological Security in a World of Precarity* was generated as result of this qualitative study. It addresses the emotional implications of financial exclusion and inclusion.

This study approaches the substantive field from a position of ignorance. I did not know why people used very high-cost forms of (micro)finance when it appeared as if it would make more sense to save up instead and keep the interest, which on a £500 loan repaid over six months can amount to over £150 with fees included (https://www.moneyline-uk.com/ accessed 09/03/2019). This is enough for a branded pair of trainers, which turned out to be a common symbolic good which some people in the sample borrowed money to purchase. At an individual level, the study provides ground-breaking evidence to demonstrate that participants using responsibly provided high-cost credit feel that it stabilises finances, promotes financial and social inclusion and transforms emotional wellbeing.

In the next chapter, I present a background on financial exclusion. I define financial exclusion and delineate its extent. The provision of Moneyline sits in the context of the whole industry, so it is important to provide an explanation of the sector to better understand where not-for-profit credit providers are positioned, and what effect they might have. In this chapter I present the societal factors which lead to financial exclusion, as well as demand-led and supply-led factors. The financial and social consequences of financial exclusion are explored which leads to suggested solutions which could be provided by government or suppliers.

Having placed Moneyline in the context of financial and social exclusion, Chapter 3 is the literature review where the literature pertinent to the theory *Finding Ontological Security in a World of Precarity* is introduced. This chapter describes the economic context the study is set within, whereby people on low incomes experience increasingly precarious economic situations. It explores the structural factors which have led to increasing levels of underemployment, part-time, temporary and low-paid work. I define the use of key terms within the thesis such as ‘ontological security’, ‘poverty’, the ‘working class’, the ‘precariat’, the ‘deserving’ and ‘undeserving’ poor, and I present relevant literature related to the key terms, as well as theoretically relevant contributions in the sociological fields of emotion, consumption and capital.

The literature review is followed by the methodology chapter where I describe the methods used to carry out the research project and its philosophical position. The key focus of this chapter is that a classic grounded theory method was used as this enabled an ‘objective’ approach to the collection and analysis of the data within an interpretivist perspective. The approach to data collection and analysis was inductive, an approach which is favoured when little is known about an area, to build up knowledge, rather than to test hypotheses. That criteria fits this research well because the motivation for the continued use and increase in demand for HCSTC by people on low incomes, and the effect of this credit on its users, despite the availability of lower cost options, is an area which has not, as far as I am aware, been subject to much research.

Chapter 5 presents a summary of the grounded theory *Finding Ontological Security in a World of Precarity*. Here, I outline the theory including the main concern of the participants which is *Material Insufficiency* which they seek to resolve through the core category which is *The Material Purchase of Emotion*. The theory is divided into three sections. The first is *Addressing Exclusion* which describes the financial and social exclusion experienced by participants. The second section is *The Material Purchase of Emotion* which describes the actions taken by people to overcome their negative emotions and create a more positive emotional state. This occurs through the purchase of material goods and is facilitated by credit. The third section is *Achieving Emotional Satisfaction* and explains the emotional resolution achieved by participants by engaging in credit facilitated consumption as well as the positive effect financial and social inclusion has on the emotional state of the participants.

Chapters 6 through to 8 are the findings chapters. They are presented as three separate chapters to represent the three stages of the theory which are: *Addressing Exclusion*, *The Material Purchase of Emotion*, and *Achieving Emotional Satisfaction*. In Chapter 6, *Addressing Exclusion*, I present the findings which support the first stage of the theory's development. It delineates how participants describe being financially and socially excluded, how this makes them feel, and its implications.

Chapter 7 presents the findings which support the second stage of the theory - the *Material Purchase of Emotion*. In this chapter, I describe the actions which participants take to resolve the exclusion described in Chapter 6. This is done through the consumption of credit, which facilitates the consumption of goods. The largely positive effect of responsible credit is described in this chapter, and it stands in stark contrast to the participants' mainly negative experience of commercial credit. I also describe the processes and procedures employed by Moneyline in the provision of credit which contribute to this. The second part of this chapter is concerned with material consumption which is facilitated through the consumption of credit. Here, the focus is on the motivating factors which underpin material consumption and what role the goods purchased with credit have for the participants, and how they contribute to the development of ontological security.

The findings supporting the third stage of the theory, *Achieving Emotional Satisfaction*, are described in chapter 8. I describe the participants' positive emotional state which occurs when they attain a level of financial and social inclusion. Participants journey through an emotional transformation as a result of finding a source of responsible credit which they use to meet their financial and social needs. This chapter is divided up into the emotions which are felt by participants when they achieve financial inclusion, and those which are felt when they achieve social inclusion, as participants were able to clearly differentiate between the cause of their positive emotional change. That being said, there are similarities and overlap in the emotional responses such as increased happiness, an increased sense of safety, and an increased sense of security.

This is followed by the discussion chapter. Unlike the findings, which were structured in three sections, the discussion chapter takes an overall look at the grounded theory and relates extant theory to its fundamental key concepts. These include emotions and their role in driving human action, poverty, consumption and how it is used to gain forms of capital, the social meaning of money, and the role of working-class credit. Chapter 9 revisits 'ontological security' and discusses its structural conditions relevant to this context such as education, the welfare system and the labour market.

The discussion chapter concludes with a statement that responsible credit transforms the lives for people on low incomes thus replacing ontological *in*security with ontological security, and that money is deeply social with social needs being as important as functional needs for the participants in this research. Contrary to the popular narrative that HCSTC is exploitative, the results of this research indicate that certain high-cost credit, provided responsibly, with the well-being of its customers as paramount, can be a stabilising force creating a sense of ontological security despite living in a world full of precarious circumstances.

Chapter 10 concludes the thesis and summarises it to provide the key messages and theoretical implications of this study. It sets out recommendations and discusses areas of possible future research into the fascinating and highly relevant subject of high cost credit.

For clarification, this structure represents the standard presentation of an academic thesis which I chose to adopt for clarity and convention. It does not reflect how grounded theory works in practice nor how I conducted the research. The methodology chapter describes this in more detail in terms of prior literature review, but the literature review was conducted during and after coding and analysis once the core concern and core category had been identified, so that I could incorporate it into the correct extant literature rather than forcing the data to fit prior reading.

For all the limitations inevitably inherent in this study, which are explored in depth in chapter four, my belief is that this thesis contributes to the literature on the lived experience of poverty and the role responsibly provided credit, albeit high cost, can have in alleviating it. This study is based on the stories of 31 people who were kind enough to let me into their homes to share their intimate experiences of life with me. Credit weaved its way through life histories going back to childhood. Participants shared stories of desperation, frustration and anger, and of hope. They shared their joys and their sorrows with me, and I never lost sight of that privilege. A thread of dogged determination to get what they need to try to make sure they and their families live lives with dignity and social worth permeated through their narratives. My hope is that their powerful stories and this thesis will challenge and illuminate popular assumptions about high cost credit for people on low incomes, and develop an in-depth, contemporary understanding about the role credit plays in their lives.

CHAPTER 2- Background to Working Class Credit and Financial Exclusion

According to Carruthers (2005) credit is a topic that has largely been ignored in sociology. Interest in this field can be seen from the 1990s onwards with important contributions from Rowlingson (1994) who looks at credit as a response to poverty, Berthoud and Kempson (1992) who investigate credit use across all income levels to analyse the differences between them, and Dearden *et al.* (2010) who conducted research into the factors that drive credit and debt for low income families.

This chapter places the thesis in the context of the wider credit industry by delineating the literature in the field of credit with respect to the financially excluded. It commences by defining and exploring financial exclusion in the UK today, looking at its causes and how it is resolved by different social actors. This leads to a description of the sub-prime industry which caters to the financially marginalised and discusses the impact of using such credit. I explore whether the financially excluded could save instead of borrow and consider the interchangeability of the two concepts by presenting the use of credit as a savings mechanism. The chapter then turns its attention to the microfinance industry and examines how it is used for personal consumption purposes by the financially excluded in the UK. Questions will be asked as to the impact of this form of credit on the financially excluded, which the research seeks to answer.

Financial Exclusion

Defining Financial Exclusion

The European Commission defines financial exclusion as ‘a process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong’ (European Commission, 2008:9). The European Commission goes on to explain that an inappropriate mainstream financial product has a structure, cost, or method of provision that makes it difficult for a customer to access or use without difficulty. Their definition of mainstream providers are ones which do not incur a stigma (Ibid.).

The European Commission’s definition also includes reference to the social exclusion created by an inability to access credit. This limits participation in a ‘normal social life in the society in which they belong’ due to lack of financial resources. Townsend refers to this as relative poverty (1979) which in the UK includes, but is not limited to, participation in cultural festivities such as Christmas, the (in)ability to purchase a birthday present and cake for family members, being (un)able to take part in leisure activities such as days out, trips to the cinema or holidays, or the inability to socialise with friends due to lack of money (Hirsch, 2015; Padley *et al*., 2015; Hill *et al*., 2016; Padley and Hirsch, 2017; Davis *et al*., 2018).

The Financially Excluded

There are a variety of factors that can cause financial exclusion such as age (Berthoud and Kempson, 1992; Kempson *et al.*, 2000; House of Lords, 2017), a lack of digital proficiency or access (Kempson *et al.*, 2000; House of Lords, 2017; Alston, 2018), low levels of education (Collard *et al.*, 2003; House of Lords, 2017), and low income (Berthoud and Kempson, 1992; Kempson *et al.*, 2000; House of Lords, 2017). However, at its simplest, financial exclusion is often the result of a lack of money[5] (National Housing Federation cited House of Lords, 2017).

According to Responsible Finance, who are the membership association for community development finance institutions (CDFIs), 6 million people either do not have a bank account or are at the margins of mainstream banking (Hadjimichael and McLean, 2017). This makes bills difficult to pay (Leyshon and Thrift, 2005; Vik, 2016) and removes discounts available by using direct debits which exposes people without a bank account to poverty premiums (Dayson, *et al.*, 2012). Furthermore, 12 million people lack access to affordable credit (Boelman *et al.*, 2016) and 1.25 million are considered destitute and at the 'highest risk of financial exclusion' (House of Lords, 2017).

[5] "The fundamental problem is often poverty. We wrap that up in all kinds of other things: unemployment, underemployment or digital exclusion, all of which are absolutely challenges, but the fundamental underlying issue is one of poverty—the fact that people do not have enough money to get from one end of the week to the other . . . We have to be a bit more honest about some of the underlying challenges." (National Housing Federation cited House of Lords, 2017)

The Causes of Financial Exclusion

The causes of financial exclusion are multivariate and often intersect. But they can be categorised into societal, supply and demand factors.

Societal Factors

Societal factors are elements in society that make accessing mainstream finance problematic for some people. This includes labour market changes which have increased the number of low and unstable incomes (Kempson *et al.*, 2000; Dearden, *et al*, 2010; Finney and Davies, 2011; Shildrick, *et al.*, 2012; Lee, 2018). These can worsen creditworthiness and reduce access to mainstream credit (Kempson *et al.*, 2000; European Commission, 2008). Illiteracy is associated with financial exclusion due to an inability to understand contracts and product features in a written form (European Commission, 2008).

Demand

Demand factors are those which limit access to mainstream credit. They are driven by consumers when they are 'unwilling' to use mainstream finance for a variety of reasons which prevents them from applying for it (Kempson *et al,* 2000; Collard *et al.*, 2003; Dayson, 2004; European Commission 2008). There are certain features absent from mainstream lending which low income borrowers want. These include locally based organisations, control over repayments, advice, transparency, payment discipline and restricted access to savings as well as relationship lending (Collard *et al.*, 2003). Additionally, they require flexibility, speed and familiarity (Alexander *et al.*, 2015). Products without these features are often unsuitable for customers on a low income. However, a lack of awareness of alternative providers, for example, credit unions, exacerbates financial exclusion (Tebbutt, 1983; Collard *et al.*, 2003; Boelman *et al.*, 2016; House of Lords, 2017).

Supply

Supply factors are those coming from within the financial institutions which impede access to their products. Access to credit is denied to people with poor credit scores (Leyshon and Thrift, 2005; European Commission, 2008; Dodd, 2014). This was made worse with the introduction of computerised credit scoring (Vik, 2016). Condition exclusion such as product design can worsen financial inclusion (Kempson *et al.*, 2000). For example, credit unions often require that a borrower has savings with the institution which remain in place for the duration of the loan. However, people at risk of financial exclusion often do not have savings (Lenton and Mosley, 2012; Boelman *et al.*, 2016). Other conditions include minimum loan amounts which are higher than that required by people on low incomes (European Commission, 2008; Edmonds, 2018). The repayment schedules are often inflexible which are not appropriate for the needs of people whose incomes fluctuate. Additionally, the increase in number and complexity of financial products makes it difficult to compare and select the most appropriate provider (European Commission 2008).

The online production and delivery of financial services using computers and mobile phone technology has offset some of the access barriers for those who are digitally literate because they can obtain financial products remotely without requiring a visit to a physical bank branch. But it has compounded the issue for those who are not digitally literate or who lack geographical digital access (FCA, 2017; House of Lords, 2017; Alston, 2018).

<u>The Impact of Financial Exclusion</u>

The clear link between financial exclusion and social exclusion (Kempson *et al.*, 2000; Leyshon and Thrift, 2005; Lister 2004 cited Lenton and Mosley, 2012; House of Lords, 2017) can give rise to socio-economic consequences (European Commission, 2008). These can be divided into financial and social consequences.

<u>Financial Consequences of Financial Exclusion</u>

People unable to get credit from banks or other mainstream financial providers often use intermediaries, unregulated or sub-prime lenders (Kempson *et al.*, 2000). These can incur interest rates of between 190 percent for social enterprises, upwards of 1000 percent for some commercial lenders with, in some instances, inferior terms and conditions (European Commission, 2008; Westlake, 2011; Shildrick, *et al.*, 2012; Alexander *et al.*, 2015; Davies *et al.*, 2016), reduced customer protection and regulation (Dayson, 2004), and the risk of unscrupulous lending practices, and aggressive and intimidating behaviour (Kempson *et al.*, 2000). This creates an interest premium estimated to be £540 annually for people using high cost credit (Davies *et al.*, 2016) thus reducing disposable income and spending in the local economy (Dayson, 2004).

Despite the high cost, demand has and continues to be strong for sub-prime credit. This is because continued access to a line of credit is more important than cost for people who are financially excluded (Tebbutt, 1983) whose alternative is complete exclusion from credit. In a milieu of labour market changes (Kempson *et al.*, 2000; Finney and Davies, 2011) which produce fluctuations in income (Tebbutt 1985; Shildrick *et al.*, 2012), retaining access to a line of credit becomes a very important way to manage expenditure (Tebbutt, 1985).

Debt dependency, debt spiralling, or over-indebtedness can result from using products with unaffordable repayment schedules, taking out more credit than is affordable, or accruing the build-up of financial penalties on defaults and arrears (European Commission, 2008). There is also an increased risk of defaulting on primary debt such as utility and council tax bills (Bow, 2017; Bailey, n.d.) which can further erode credit history and exacerbates the risk of financial exclusion.

Social Consequences of Financial Exclusion

The social consequences of financial exclusion are higher levels of anxiety and worry about bills and one-off expected and unexpected large expenditure. It is argued that poverty can impair cognitive function equalling a temporary reduction in IQ by up to 13 points because so much of the brain is used trying to solve financial issues and manage poverty (Mani *et al.*, 2013), thereby making it more difficult to make economically rational decisions (Lenton and Mosley, 2008; Sivanathan and Petit, 2010). Without support, money difficulties can 'escalate into far-reaching problems such as housing, mental and physical ill-health, relationship breakdown and unemployment' (Clifford *et al.*, 2014:9; Financial Conduct Authority, 2014). It affects purchasing decisions, determines how your time is spent, and affects the overall quality of life and an inability to access 'appropriate credit may stigmatize and reduce welfare level and self-esteem' (European Commission 2008:13).

Solutions to Financial Exclusion

Given the negative impact of financial exclusion, the following delineates the various ways it could be addressed which are divided into government-led, and supplier-led solutions.

Government Led Solutions

The House of Lords Select Committee proposed a number of solutions to reduce financial exclusion in their 2017 report (House of Lords, 2017). This included an expanded role for the Financial Conduct Authority (FCA) which allowed financial inclusion to be a key objective and introduced legal powers for the FCA to ensure that financial service providers exercise a duty of care to their customers (Ibid.). Additionally, they proposed giving credit unions increased flexibility and freedom to be able to address the unmet credit demands of the financially excluded (Ibid.).

From a welfare policy perspective, it has been suggested that the government abolish waiting periods at the start of a new Universal Credit claim, because the delays put claimants at risk of being forced into high cost debt (House of Lords, 2017; Alston, 2018). The government also set up a 'Help to Save' scheme in September 2018 which incentivises people on low incomes to save[6]. The scheme offers a 50 percent bonus on savings, up to a maximum of £1,200 (Gov.uk, 2018). However, it remains to be seen whether this is well received by the intended recipients, given the mistrust of financial service providers and government, and a concern that accrued savings will negatively impact benefit entitlement (Collard *et al.*, 2003.).

[6] This scheme was piloted in 2005 and was due to be rolled out nationally in July 2010, but it was abandoned by the new coalition government (Dayson and Vik, 2011) who considered it 'unaffordable' (BBC News, 2010). It has since been reintroduced as a result of concerns regarding high cost credit and the very low saving rates of people on low incomes.

The Social Fund, through the budgeting loans, can contribute to ameliorating financial exclusion. They are interest-free cash advances made to people on low incomes to manage 'lumpy' expenditure (Resolution Foundation, 2014) with repayments deducted from benefits at source. 97 percent of Budgeting Loans are successfully repaid, but demand outstrips the supply and many applications are refused (Ibid.). Fewer than 50 percent of people on low incomes are aware of it and only 14 percent of people who met the eligibility criteria had used it (National Audit Office cited by Resolution Foundation, 2014). There is a postcode lottery aspect to its provision and limited eligibility criteria. Those who are excluded from it are more likely to turn to high cost short term credit instead (Resolution Foundation, 2014).

<u>Supplier Led Solutions</u>

The provision of credit is a supplier solution and using credit to fund consumer purchases in the UK is common (Kempson *et al.*, 2000). 75 percent of adults used at least one consumer credit product within the last year (FCA[c], 2017) and people on low incomes are just as likely to use credit as wealthier people, but they use different products, in different amounts and for different purposes (Berthoud and Kempson, 1992). Financially excluded individuals often use any source of credit they can get, at any cost, in the absence of viable alternatives (House of Lords, 2017), even though the high cost of these products can exacerbate financial exclusion (Kempson *et al.*, 2000; Beddows and McAteer, 2014; House of Lords, 2017).

In spite of their cost, high cost credit options have attractive product features for people on low-incomes such as repayment flexibility, convenience, quick decisions, ease of application, fixed interest, control, friendliness, familiarity, speed of access to cash, the perception that it is ‘for people like me’, low risk, and the ability to borrow small amounts of money (Rowlingson and Kempson, 1994; FCA, 2014; Hartfree and Collard, 2014; Alexander, 2015; Boelman *et al.*, 2016). They also feature affordable and small regular repayments which can be managed from meagre resources and spread over a longer length of time, even if this increases the total cost of credit (Boelman *et al.*, 2016). Furthermore, high cost short term credit is often cheaper than unarranged overdraft charges (Bailey, 2017). The disadvantages are its high cost, its propensity to keep people in debt, and that it can create indebtedness, with evidence in some cases of irresponsible lending to a financially vulnerable demographic (Rodrigues, 2007; Beddows and McAteer, 2014; Young, 2017).

The following section will look at the options in the high cost short term credit (HCSTC) market that are available to people who are excluded from mainstream credit.

<u>High Cost Short Term Credit Industry</u>

Credit plays a vital role in the poor community (Graeber, 2014) and one solution for the financially excluded is the high cost short term credit market (Lenton and Mosley, 2012; Alexander, 2015; Davies, *et al.*, 2016; Responsible Finance, 2016; Hadjimichael and

McLean, 2017). In 2016, of the 6.7 million people using consumer credit, just over a third were using high cost credit options (fca.org.uk, 2017) and demand for it continues to thrive (FCA, 2014; FCA, 2017) with benefits that appear to outweigh the cost (Anderson, 2015; FCA, 2017).

Reasons Why Cost Is So High

The cost of credit in this sector is high and varies considerably with APR's varying between 100 percent to over 4000 percent for pay day loans before the cap was introduced (Hay and Kanodia, 2013; Aldohni, 2017). In addition to the profit motive, the costs include the pricing of risk and the high proportional fixed administrative and operating costs per loan.

Providers

The key commercial products include pay day lending, rent-to-own and home-credit (fca.org.uk, 2017). Other solutions include informal lending, illegal money lending, saving and social lenders. The next section will explore some of the issues relating to the financially excluded in each category.

Pay Day Lending

A payday loan is 'a type of short-term borrowing where a lender will extend high interest credit based on a borrower's income and credit profile. A payday loan's principal is typically a portion of a borrower's next paycheck' (Investopedia, 2018). 1.6 million individuals took out a pay day loan in 2016 to the value of over £1bn. The FCA introduced measures to restrict the amount of interest charged (Bailey, 2017; House of Lords, 2017). Since then the number of loans has fallen (Moore, 2016; fca.org.uk, 2017) and the sector is now 40 percent smaller than in 2013 (fca.org.uk, 2017). This contraction in the credit supply has been widely welcomed, but it has been accompanied by an increase in defaults in council tax and utilities (Bailey, n.d.) and an increase in the use of less regulated high cost credit (Bailey, n.d.; Bow, 2017) as well as a potential increase in the use of illegal lending (Bailey, n.d.; Boelman *et al.*, 2016; Kollewe, 2017). The majority of pay day loans were used to purchase food (House of Lords, 2017), signalling deep financial distress and desperation (Anderson, 2015) which ironically, the use of payday loans was likely to exacerbate. Payday lenders have been accused of exploitation because the loans can be hard to repay and can lead to 'debt spirals'. But providers defend that the high costs involved in lending to this segment justify the cost (Beddows and McAtter, 2014).

Rent to Own

Rent-to-own companies sell consumer goods and provide the credit products needed to purchase them and Dayson stated that he could 'think of no better marker of social deprivation than having a Bright House store open in your area' (cited Gentleman, 2013). APR interest rates in this sector have remained stable and cluster around 69 percent (Gentlemen, 2013; House of Lords, 2017). But due to the additional costs, the lengthy repayment time spanning across a number of years, and the higher initial product price, common household items that would cost £399 for example, could cost £1,560 (Gentleman, 2013). There is concern that rent-to-own companies generate 'high levels of income from non-lending sources, such as late fees, arrangement fees, exit fees, change of contract terms, warranties and insurances' (House of Lords, 2017) leading to claims that they are exploitative (Gentlemen, 2013). Consequently, there are campaigns for the interest rate on this sector to also be capped together with other regulations such as a ban on aggressive sales techniques (Bow, 2017; Evans *et al.*, 2018). Nevertheless, the value of this sector has doubled since 2008 due to the recession, and because of a diversion of demand from the contracted pay day sector (House of Lords, 2017). There are customers who appreciate the highly affordable repayment structure despite the high overall costs because they cannot access credit in any other way and because they are unaware of any alternatives (Gentlemen, 2013).

Doorstep Lenders or Home Credit

Home credit, otherwise known as doorstep lending, involves providing relatively small, short-term cash loans to consumers typically on lower-than-average incomes through an agent who attends a customer's home, normally on a weekly basis, to lend and to collect repayments. The APRs vary between 300 percent and 1,500 percent depending on the size and length of the loan (House of Lords, 2017). An estimated 18 percent of people who have poor or incomplete credit histories use doorstep lenders (Kollewe, 2017) and it is used mainly for larger borrowing requirements needed to fund Christmas, birthdays and other special events (Personal Finance Research Centre, 2003). 700,000 people used home-collected credit in 2016 (FCA[b], 2018). Customers in this sector appear to hold debt in this product for a long time and use the service regularly (Ibid.).

There is a lack of competition in this sector (FCA, 2017) and Provident are the market leader in home credit with complete national coverage across the UK and Ireland (Provident Financial Plc, 2019). There are few national competitors, some regional competitors and a large number of small local providers and Provident issued 42% of credit in the home credit market in 2018 (Provident Financial Plc, 2019). The impact of this is that customers are overcharged by £9 in every £100 borrowed (Resolution Foundation, 2014). However, the additional £9 might represent good value for money as repayments are collected from customers' homes thus removing transport costs, and a bank account is not necessary, which benefits people who live in areas of financial desertification (Leyshon and Thrift, 2005). The high rates of interest reflect the sector's large staff costs, the higher proportional costs of providing small loans, and the risk of non-payment (Falconer and Lane, 2017).

There are accusations that agents use 'high-pressure sales tactics, poor affordability checks, and aggressive repayment collection practices' (Falconer and Lane, 2017:1) which can force vulnerable customers into taking on more debt (FCA, 2014). Despite this, there are many otherwise financially excluded customers who like the product because it is based on friendly relationship, convenience, repayment affordability, and they are habituated to it (Tebbutt, 1983; Rowlingson and Kempson, 1994). Cost is a secondary concern (FCA, 2019[b]) which is outweighed by availability and convenience. Customers also use home credit because it is difficult to get credit from other sources, they do not consider other options, they assume they will be turned down elsewhere, they are rejected from mainstream banks when they try to apply, as well as impatience and desperation (Rowlingson and Kempson, 1994; Worton *et al.*, 2018; FCA, 2019[b]).

<u>Informal Lending</u>

A considerable amount of informal lending takes place from friends and family, and illegal moneylenders (Carruthers, 2005). In 2017, 3.1 million people borrowed from friends and family (FCA[c], 2017) and although it is hard to get accurate estimates of people who borrow from illegal moneylenders, the FCA estimate that 0.1 million people use unregistered moneylenders (Ibid.).

Borrowing from Friends and Family

Borrowing from friends and family is facilitated by the trust that is embedded in strong social ties (Granovetter, 1985; Treisman 1995 cited Carruthers, 2005) and money lent in this way is likely to incur a very low rate of interest or none at all (Sanderson, 2011). However, informal lending has the propensity to cause family disharmony should the borrower fail to repay the loan (Braverman, 2018). This may be why only 15 percent of families borrow in this way (Sanderson, 2011). Moreover, some people feel pressured into agreeing to lend which can lead to resentment (Scott, 2011; choose.co.uk, 2018).

Despite this, it is estimated that almost £13bn was lent to family and friends in 2014 (Ibid.).

Unlicensed Lenders

'An estimated 165,000 people in the UK use illegal moneylenders at any one time' (Resolution Foundation, 2014). The interest cost is enormous and on average people pay 16 times their initial loan amount (Stop Loan Sharks, 2018, personal communication, 16 January). Illegal lending can sometimes be accompanied by the threat of violence and intimidation when borrowers are unable to repay (European Commission 2008; Lenton and Mosley, 2012) and 45 percent of users have experienced this (Stop Loan Sharks, 2018, personal communication, 16 January). The main issue with moneylending is that random charges can be added to the account at any time. There is no paperwork or records of payment. So once a person starts using an illegal moneylender, they can find themselves forever in their debt, even if they have repaid the initial loan many times over. Stop Loan Sharks ascertained that the average amount borrowed equalled £569.60 but the average repaid was a shocking £9,368.48 with many people paying much more. It is important to note that half of all illegal lending is for Christmas expenditure (Bachelor, 2010).

Despite the cost and danger, demand for illegal lending almost doubled between 2005 and 2010 (Alexander *et al*, 2015) due to the reduction in credit availability following the credit crunch (Bachelor, 2010). The FCA acknowledged that imposing an interest cap on payday lending would leave 160,000 people a year without access to payday loans and could cause complete financial exclusion for 70,000 people. They understood that this excluded group could potentially turn to illegal moneylenders with potentially severe consequences (Alexander *et al.*, 2015).

Savings

Saving and 'The Poor'

Casaburi and Macchiavello argue that 'lack of access to savings presents an economic barrier to many of the poor' and 'with limited savings', households cannot maintain their consumption levels when their income fluctuates (2016). Likewise, savings help low-income households maintain customary standards of behaviour (Johnson, 1985), 'save face' and keep up appearances (Banerjee and Duflo, 2012), deal with emergencies and life cycle events (Rutherford and Arora, 2009; Dayson and Vik, 2011), fund Christmas and holidays (Lenton and Mosley, 2012; Casaburi and Macchiavello, 2016), buy things that make life less boring such as cheap luxuries (Banerjee and Duflo, 2012), and fund large expenditures (Rutherford and Arora, 2009). One way to avoid credit and excessive interest costs would be to save up the amount needed before purchase (Boelman, *et al.*, 2016).

It is argued that after increases in income, savings make the biggest difference to the financial capability and money management ability of the poor (Rutherford and Arora, 2009; Lenton and Mosley, 2012) and that savings will help people exit poverty (Lenton and Mosley, 2012). However, there is a difference between people on low incomes not being able to save, and not wanting to save due to other priorities (Kempson and Finney, 2009). Also, using credit, rather than savings, to fund consumer purchases is now a social norm (Boelman, *et al.*, 2016)[7] which reduces the 'moral' imperative to save.

<u>Barriers to Saving</u>

That being said, most people want to save (Collard *et al.*, 2003; Rutherford and Arora, 2009; Parker, 2010) but people on low incomes have a persistently low propensity to save (Dayson and Vik, 2011). They find saving challenging for several reasons which can be divided into structural, attitudinal, and psychological factors which are not easily separated due to their intersectionality.

<u>Structural</u>

A low income means that there is a lack of money to save (European Commission, 2008, National Housing Federation cited House of Lords, 2017). Low and insecure incomes due to labour market changes (Kempson *et al.*, 2000; Finney and Davies, 2011; Shildrick *et al.*, 2012; D'Arcy, 2017) and the decline in unions create a downward push on wages

[7] 81 percent of people who do not use high cost credit agree with the statement that 'debt is a normal part of today's lifestyle'. This rises to 93 percent for those that do (Boelman, et al., 2016:28).

(Kempson *et al.*, 2000; Shildrick *et al.*, 2012). This results in financial instability and low incomes which are a barrier to saving (Dayson and Vik, 2011).

Other barriers to saving are that people on low incomes do not have a safe place to save (Leyshon and Thrift, 1997; Rutherford and Arora, 2009) and they lack trust in financial institutions (Dayson *et al.*, 1999; Collard *et al.,* 2003; Davies *et al.*, 2016). This includes credit unions because they are run by volunteers, and people on low incomes do not necessarily want neighbours knowing their financial situation (Kempson and Whyley, 1999). There is a fear that savings might negatively impact benefit eligibility (Collard *et al.*, 2003; European Commission 2008; Lenton and Mosley, 2012). There is also a preference for cash budgeting by people on low incomes (Dayson and Vik, 2011; Wolman, 2012) which reduces the opportunity to save because cash is easily spent. Other structural barriers to saving include experiencing a change in circumstances such as disability or unemployment, confronting financial instability, sustaining heavy credit commitments or sending remittances abroad (Dayson and Vik, 2011). Changes in family structure, such as divorce, death of a parent, and taking in additional children, for example, can also increase the many claims on income (Rutherford and Arora, 2009; Banerjee and Duflo, 2012).

Attitudinal

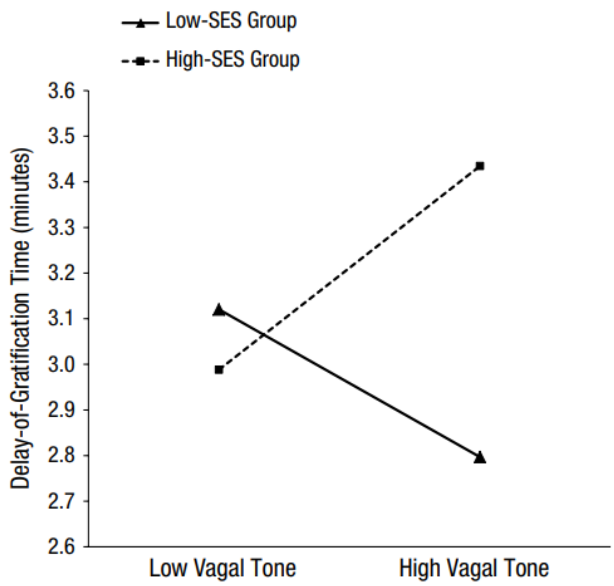
For some, it is difficult to save because they are not in the habit of doing so (European Commission 2008). Some people on low incomes have expressed a preference for savings products to feature an automatic deduction facility from their bank accounts (Collard *et al.*, 2003) and that savings accounts with restricted access reduces the temptation to withdraw and spend their savings (Kempson and Whyley, 1999; Brennan, 2010; Banerjee and Duflo, 2012; Collard *et al.*, 2003). Automatic deductions can bypass choice avoidance (DellaVigna, 2009) which is a situation where people avoid having to make choices, possibly as a result of cognitive overload. This would eliminate the need to constantly make a choice between spending or saving, as it would be automatic.

Psychological

People on low incomes are accused of having 'little patience and perseverance' to save (Casson, 1930 cited Johnson, 1985:158). They are criticized for 'sacrificing the future to the present' and taking 'very short views of life' (Ibid.). But research has demonstrated that there are psychological mechanisms which take place in circumstances of uncertainty and lack whereby waiting is not the optimal choice (Packard, 1961; Hausman, 1979; Keren and Roelofsma, 1995; Harris and Laibson, 2004; Laibson, 2005).

To those who have higher levels of income, this behaviour appears to be irrational, but it can be understood when the underlying motivation of the behaviour is considered (Ainsliee and Haslam 1992). For example, Sturge-Apple *et al.* looked into the brain activity of children from low and high socio-economic groups. They were subjected to an experiment on delayed gratification and the ability to wait, using sweets, in order to study their vagal tone. A high vagal tone demonstrates the ability to react in a calm and considered way under stress, as opposed to impulsively. Figure 1 shows how the children responded.

Figure 1 - Delay of Gratification



Source: Sturge-Apple *et al.,* 2016:890

Those from a high socioeconomic background delayed their gratification but those from a low socioeconomic background did not. This is in line with many similar tests. But this research reported that both groups had high vagal tone, despite different wait times, as can be seen in the figure above. This indicates that both groups were operating from a position of considered decision making which was optimal given their circumstances and prior experiences, and that low-income children had adapted their behaviour in response to their local environment. Where a child is faced with economic uncertainty and impoverished conditions it might be the rational choice to take what is presented to them immediately. This indicates that developmental adjustments have been made in order to cope with their environment. In this context, taking the immediate treat is the logical and rational response.

In a modified marshmallow task (Mischel, 1974 cited Kidd *et al.*, 2013) there was evidence that children made similar rational decisions in the context of the reliability of outcomes. Children who had reliable testers waited longer than children who had unreliable testers (Kidd *et al.,* 2013). This implies that the wait times reflected whether waiting would be worth it, thus suggesting that the children's actions reflected beliefs about the stability of their environment (Ibid.) and led them to adapt their decision making in favour of present rewards, rather than future ones as these could not be guaranteed. Griskevicius *et al.* (2011) use life history theory to describe this process in adults. They state that 'the environments in which children develop can have important consequences on the way in which those individuals react to their environments as adults' and that life history theory, i.e., the circumstances you have experienced in the past, lead a species to 'evolve strategies' that maximise 'fitness within the specific ecology that a species inhabits'. In other words, if you experience scarcity, instability and unpredictability as a child, you would grow up believing that waiting for something to materialise might be too risky, and therefore, it would make rational sense to prefer to maximise what is currently available rather than wait. These studies can be used to explain the rational preference of those on low-incomes to spend today (Packard, 1961; Guthrie *et al*., 2009; Walton, 2018), to use credit even if it is at a high cost (Rowlingson and Kempson, 1994) as well as their persistent and low propensity to save (Dayson and Vik, 2011).

Despite the perception that people on low-incomes do not save and mis-manage their money (House of Lords, 2017), and even though there are significant structural, attitudinal and psychological barriers to saving, there is evidence that even the very poorest save, in some form (Rutherford and Arora, 2009; Lowenstein *et al.*, 2011; Lenton and Mosley, 2012; Boelman *et al.*, 2016; Milligan, 2016). 40 percent of people earning less than £13,500 do save something every month (Milligan, 2016)[8] and there is evidence that people on low incomes are excellent money budgeters who manage to save in the short term, through cash at home, loan schemes, or in informal ways (Maud Pember Reeves cited Resolution Foundation, n.d.; Kempson, 1999 cited European Commission 2008; Rutherford and Arora, 2009; Ponsford, 2014; Daly, 2016; House of Lords, 2017). However, what they do save often is not enough when a crisis hits (Johnson, 1985), which is why they often turn to credit which can be seen as 'reverse saving'.

'Reverse saving' (Banerjee and Duflo, 2007; Boelman, *et al*., 2016) is the use of credit as synonymous with saving because they are used as 'commitment devices' (Rutherford and Arora, 2009; Banerjee and Duflo, 2012; Boelman, *et al*, 2016). A commitment

[8] This is lower than the UK overall as 55 percent of men and 43 percent of women reportedly save something every month (Barton, 2020). Also, 70 percent of people in London say that they save something every month compared to much lower rates in the rest of the UK (Personal Investing Team, 2018).

device is a credit agreement that is used in place of saving to circumvent the temptation to otherwise spend the money (Ainslie, 2006; Banerjee and Duflo, 2012). People who face a number of barriers to saving accept that the enforcement of discipline through the use of commitment devices comes with a financial cost, but that this is preferable to not accessing the large sums required (Rutherford and Arora, 2009; Banerjee and Duflo, 2012; Casaburi and Macchiavello, 2016).

Rutherford and Arora's work examines savings and commitment devices such as microfinance loans in developing country contexts. In the UK, microfinance is offered through the third sector, and the next section will describe the structure of this sector in the UK and explore its potential to displace the above described commercial high cost short term credit industry.

Third Sector for Affordable Credit in the UK

Affordable credit has been defined to mean 'less expensive' than high cost products. They can charge APRs of over 100 percent but are combined with sustainable and manageable repayment methods to protect the borrower from financial difficulties (Rodrigues, 2017:12). Affordable credit in the third sector is provided by credit unions, community development financial institutions (CDFIs) and other charitable providers. There is an 'unmet need for low cost micro loans…and a role for social investors, financial institutions, charities and Government to work together to develop a larger-scale offer of affordable credit alternatives' (Personal Finance Research Centre cited

Gibbons and Nixon, 2017:12). The 'reach of community lending remains limited', and 'supply cannot always meet demand' (Davies, *et al.*, 2016). These are statements with which Andrew Bailey, who is the executive FCA Board member and Chief Executive, agrees when he asserts that the UK lacks an appropriate system for the 'sustainable supply of such credit', and 'strongly encourages participation' by stakeholders to work together to make this possible for the public good (Bailey, 2017). This section discusses the providers of affordable credit in the UK, their impact, and the barriers which prevent them from displacing the commercial high cost short term credit providers.

Credit Unions

Credit Unions, which have a 3 percent market share[9] are 'not-for-profit co-operatives owned by their members providing unsecured personal loans at a relatively low cost' which is legally capped at 42.6 percent APR (House of Lords, 2017). The members must have a 'common bond' such as belonging to a trade union or living in a certain area (Lenton and Mosley, 2012). Due to their low interest rates and community focus, they are championed by the government as a solution to financial exclusion for both saving and borrowing (House of Lords, 2017; Rodrigues, 2017). But credit unions have been criticised for lacking the ability to meet the levels of demand for unsecured credit due to insufficient geographical reach, irregular and unsuitable opening hours, and a

[9] The literature does not clarify what is meant by market share and whether this is a share of the total market for credit, a share of the market for unsecured credit, or a share of the third sector credit market.

requirement by most for a history of saving (Tebbutt, 1983; Dayson *et al.*, 1999; Lenton and Mosley, 2012; Boelman *et al.*, 2016). This reduces their appeal as an appropriate borrowing solution for this demographic (Dayson *et al.*, 1999). But whilst the legal cap maintains the low interest rates borrowers must pay, it can constrain the credit union and limit their ability to lend to higher risk consumers (FCA[b], 2018) and address these issues. Additionally, awareness of their existence is low (Dayson *et al.*, 1999; Dayson, 2004; Boelman, 2016; Rodrigues,2017), and some credit unions do not want to be marketed as the alternative to high cost credit because they require many borrowers with a good proportion on higher incomes in order to be sustainable (Dayson *et al.*, 1999). Furthermore, credit unions decline a large number of applications from lower income individuals (Dayson, 2004; Rodrigues, 2017). That is not to say that credit unions do not offer a good alternative, but given the lack of market penetration to date, they can only be one of several solutions (Dayson, *et al.*, 1999) and it is unrealistic for the government to expect credit unions to solve financial exclusion (Dayson *et al.,* 1999; Dayson, 2004).

<u>Other Charitable Providers</u>

The internet has created opportunities for innovative players in this market who have reduced the cost of rent-to-own (RTO) credit by an average of £527 per item (Gibbons and Nixon, 2017). One such market entrant is 'fairforyou.co.uk' (accessed 20.04.2018) who are a registered charity. They sell goods sourced from third party retailers online, at high street prices, from which fairforyou.co.uk receive a discount. Provident's introduction of redeemable 'tickets' in 1881 worked in a similar way (Tebbutt, 2013). Fairforyou.co.uk's lending subsidiary provides the loans with which to purchase the items which represents their second income stream at an interest rate of 51.1 percent APR (Loan Calculator – Fair for You, 2020). This structure means that the goods are owned by the customer outright, compared to branch-based RTO companies who own the product until the last instalment has been repaid. Because they are an online company, they have a national reach, but their sales are concentrated in areas of high child poverty (Gibbons and Nixon, 2017). As they are a charity, they do not have the marketing capacity of a commercial player, so lack of awareness continues to be a problem. Furthermore, because they are online, those without digital capacity, whether in skill or access, are excluded from their use.

However, new entrants to the market such as fairforyou.co.uk, in their attempt to reduce the cost of credit, exclude customers such as young mums with 'thin credit files' (Gibbons and Nixon, 2017) and therefore only partially address the issue of financial exclusion as they selectively approve only the less risky customers.[10]

Whilst they are a cheaper alternative to rent-to-own type businesses, customers are restricted to purchasing only the brands that are available on the website, with not all

[10] 'Some applicants for FFYE loans are too high a risk for it to lend to. Although a loan from FFYE would have beneficial impacts on the overall budget for these applicants, which would likely improve their ability to pay other bills – including rent, utilities, and Council Tax – the level of risk involved would need to be mitigated by these third parties providing some form of guarantee or 'hardship' fund before FFYE could make a loan' (Gibbons and Nixon, 2017:16).

products being available to all customers. A wider range of products such as smart TV’s, games consoles, laptops and tablets are only available to members of the ‘good payers club’ which is offered to customers who have been with them for six months, or who have paid off their first item and made all loan payments on time (Fair for You, 2020b). This restricts choice, the ability to make savings through the purchase of second-hand items and excludes certain customers, although for those who do qualify, it is a cheaper alternative with a greater range of products than branched-based RTO stores.

CDFIs and Their Development

CDFIs are Community Development Finance Institutions who provide not-for-profit microfinance in the UK. Microfinance is the supply of financial services on a small-scale which started in Latin America and South Asia to rapidly become the preferred method used globally to use credit and financial services to reduce poverty (Lenton and Mosley, 2012). The development of CDFIs in the UK started in the 1990s with an initial aim of boosting the employment rate through financing small and medium enterprises (SMEs) to reduce unemployment and help people exit poverty through enterprise (Ibid.). However, because CDFIs were primarily loans for enterprise purposes, they failed to address the issue of increasing consumer debt for the lowest earners which was fuelled by high cost credit. Consequently, in the early 2000s, some CDFIs introduced microfinance in the form of small personal lending products (less than £1,000) and were based in low-income areas ‘to meet consumption needs, pay off debt, and in particular escape from the grasp of the doorstep lender' (Ibid.:11). They filled the 'perceived gap' which mainstream lenders failed to provide for (Dayson, *et al.*, 1999:8).

There are nine personal lending CDFIs currently in the UK (FCA, 2019[b]) collectively lending £26 million to people via 45,903 loans in 2016-2017. It is a small sector (Dayson and Vik, 2014), being equivalent to just 3.6 percent of the value of the rent-to-own sector alone (FCA[b], 2018), although it is growing (Ibid.). The loans are used to finance the purchase of 'Christmas presents, holidays, baby clothes and toys, and household improvements such as decorating being, in that order' (Lenton and Mosley, 2012:69). CDFIs continue to offer high cost short term microfinance for consumption purposes, at lower rates than those that are available commercially for the lowest earners, and for people who face complete financial exclusion.

Additionally, CDFIs have responsible lending practises which include providing detailed affordability checks, lending only what the applicant can afford to repay, offering financial advice alongside the loan, opening bank accounts for clients and encouraging savings (Alexander, 2017). In the case of defaults, they offer a non-intimidating and caring approach to encourage repayments, or a restructuring of the repayments where financial circumstances have changed, thus earning their position in the 'affordable' or 'responsible' credit market.

In addition to the limited scale and reach of CDFIs, they also face difficulties securing long-term, low-interest, and patient capital funding across the industry which is a significant barrier to growth (Dayson and Vik, 2014; Boelman *et al.*, 2016; Davies *et al*, 2016; Gibbons and Nixon, 2017; Rodrigues, 2017; FCA, 2019[b]). This negatively impacts the speed with which they can 'grow and support their market' (Lenton and Mosley, 2012:25) and thus reduce financial exclusion and deprivation. Success in attracting investment would help to fund marketing budgets to raise consumer awareness (FCA[b], 2018) and decrease the poverty premium that is associated with HCSTC overall (Rodrigues, 2017).

However, despite CDFIs performing a vital role in providing financial inclusion for those at the most risk of being financially excluded, credit as a solution for the financially vulnerable is 'universally (un)accepted' (FCA[b], 2018). High interest rates, and firms which charge them, continue to be unacceptable to investors, local authorities, donors, charities, and people who may help increase the availability of alternative forms of credit (Lenton and Mosley, 2012; Alexander, 2017; FCA[b], 2018).

Can the Third Sector Address Financial Exclusion?

The alternative lending sector could potentially help people who are affected by financial exclusion. They can provide credit for financially excluded families who face the societal factors which reduce credit worthiness such as those within the labour market, as they have structures in place to assess a person's ability to repay without electronic credit scores by using a relationship lending model. They could also address the demand factors which reduce the suitability of products for people on low incomes by offering small loans and providing repayment flexibility, restricted access to savings, and increased control over repayments that low income borrowers desire.

However, this is constrained by the lack of investment into the sector due to a universal lack of acceptability for high cost credit. It is also limited by a lack of awareness amongst those that would benefit from them the most who continue to use even more expensive forms of sub-prime commercial credit. The requirement of credit unions to save before borrowing makes this less likely to address the needs of low-income borrowers, but encouragingly, some credit unions have removed this requirement (Richardson, 2019; Saxon, 2020) which may make credit unions more accessible.

A greater awareness of the alternative credit sector, an increase in investment into CDFIs, and more people saving with credit unions could increase the demand, and the availability of credit for those who are financially excluded on rates which although high, are much lower than those commercially available. This could make a large difference to people on low incomes who, by accessing cheaper rates, could experience a reduction in the poverty premium they pay. This would provide more money in their budget to meet other expenditure requirements. They might also be less exposed to unscrupulous lending practices and could reduce their risk of over indebtedness. Consequently, this could reduce some of the social consequences of financial exclusion such as high levels of anxiety and the far-reaching problems money difficulties can cause. It thereby has the potential to reduce sigma, increase welfare levels and improve self-esteem.

Summary

This chapter has explored some definitions of ‘financial exclusion’ and seeks to understand who is financially excluded and how widely this affects people in the UK. The causes of financial exclusion have been delineated as well as their financial and social consequences. How government and commercial providers respond to this challenge has been examined. A review of the HCSTC industry has been presented, and the factors which create high APRs have been examined. Informal lending has also been explored as a mechanism used by the financially excluded.

The role of savings has been investigated to understand why this is not more widely used by the financially excluded to solve their need for larger sums of money for both expected and unanticipated expenditure. Finally, the role of the third sector has been identified and explored as a possible solution to the provision of credit to the financially excluded, as well as an exploration of the issues surrounding the sector’s ability to carry out this role.

CHAPTER 3 - Literature Review

Introduction

In the previous chapter, I delineated the borrowing and saving habits common within the low-income population in the UK and I described the structure of the high cost credit industry. The purpose of this literature review is to present an overview of key concepts which are relevant to this thesis. This will help the reader better understand the circumstances of people on low-incomes and develop an understanding of the drivers of credit. It also serves to identify gaps in the literature, identify conflicting evidence, and define the use of certain terms within the thesis, such as 'precariat' and 'capital', as they are multifaceted and can be replete with differing understandings.

This chapter is comprised of eight themes. I begin by outlining the contemporary macroeconomic environment and the structural factors which create low-income environments and the resulting demand for credit. Financial exclusion and poverty incomes are often linked; therefore, it is important to address and define the meaning of poverty and how it is used in this thesis. The rest of the chapter describes the conditions which might contribute to the demand for and use of credit by low-income families such as emotions, low-income injury reparation, capital and consumption.

Economic Context

Despite being the fifth richest country in the world (Alston, 2018), the UK is still slowly recovering from the 'long[est]-lasting recession in living memory' (Taylor-Gooby and Taylor, 2015:20). GDP (gross domestic product) per capita only recovered its 2007 prerecession position in 2015, and although in 2016 Britain was one of the fastest growing European economies, the UK is currently in a period of economic decline (Alston, 2018; Office of National Statistics, 2019). Brexit is predicted to have a strong negative economic impact over the long-term (Jackson *et al.*, 2018; Alston, 2018) with its effects most likely to be felt by the poorest in society (Alston, 2018). The estimated medium-term impact for low income households is expected to be equivalent to an annual increase in prices of £480 according to politically neutral models (Cambridge Econometrics, 2018).[11]

This bleak outlook notwithstanding, economic indicators such as the current low levels of unemployment at 4.4 percent (MacInnes *et al.*, 2015; Edwards, 2017; Ons.gov.uk, 2018; Ons.gov.uk, 2018[b]) appear positive as it suggests that more people are in work than ever before. But it may mask the chronic levels of underemployment (Edwards,

[11] This thesis was drafted prior to the Covid-19 crisis, and therefore, this has not been incorporated into the thesis or analysed as there would be no data to support any claims on its impact. Nonetheless, it can be expected to have a detrimental effect on the poorest in society as 80% of those facing job insecurities are the least educated (Makortoff, 2020). Women, the young, and single mothers are the most likely to lose their jobs which are often low-paid and precarious (Norman, 2020; McCurdy & Gustafsson, 2020). Low earners are 2.4 times more likely to be in 'shutdown sectors' and they are twice as likely to be 'key workers' (McCurdy & Gustafsson, 2020). There are concerns that this could widen economic and social inequalities even further (Makortoff, 2020). As well as being more exposed to the health risks of coronavirus, (McCurdy & Gustafsson,2020), the economic risks are likely to result in a 'collapse' of household income (McCurdy & Gostafsson, 2020:5) and therefore could negatively impact the ability to repay a loan, or to get access to credit at a time when it is most needed.

2017) as it is led by part-time work and increases in self-employment (Standing, 2011). Part-time work and self-employment, together with zero-hour contracts and temporary agency work are growing faster than the number of full-time positions (Edwards, 2017). Furthermore, the average number of hours worked by people per week has fallen (Ons.gov.uk, 2018). Self-employment, part-time work, temporary work and zero-hour contracts can create uneven incomes, and this can also be a contributing factor for credit as it can establish consumption smoothing (Rogaly *et al*., 1999; Bateman, 2010; Dearden *et al.*, 2010; Corbucci, 2016).

The risk of low pay increases with more temporary forms of employment and lower skilled occupations (Corlett and Gardiner, 2015) and people who are the least qualified are more likely to be in low paid work (Palmer, 2018), receive less training (Johnson, 2017) and tend to stay stuck in low paid work (Johnson, 2017). Low pay is defined as 'hourly wages below two-thirds of gross median hourly pay (excluding overtime) for all employees', and in 2015, this represented one-in-five, or 21 percent of all UK workers (Corlett and Gardiner, 2015:18).

Poverty levels have not decreased despite the UK's highest employment rates on record (MacInnes *et al.*, 2015; Edwards, 2017) and 3.7 million (1 in 8) workers now live in poverty. For pensioners, inflation has outstripped any gains in the Pension Credit Guarantee, and those who rent have experienced rising rental costs (Barnard, 2017). Despite the increase in rents, there is less help for people on low incomes to pay for this. Furthermore, 47 percent of people on low incomes spend more than a third of their income on their accommodation (Barnard, 2017) thereby reducing disposable income and potentially increasing the need for credit.

The post-crash recession was the economic backdrop for the ideology of austerity that governments have pursued in their welfare benefits policies and eligibility criteria changes (Alston, 2018; Moore, 2018). This has resulted in the Government's commitment to reducing welfare expenditure (Duncan-Smith, 2014; Taylor-Gooby and Taylor, 2015; Alston, 2018; Reis, 2018) but has resulted in an increase in poverty, particularly for those on the lowest incomes (House of Commons Work and Pensions Committee, 2014; Taylor-Gooby and Taylor, 2015; www.WBG.org.uk, accessed 13.04.2018; Alston, 2018; Reis, 2018). This disproportionately affects women (Stewart, 2017; Reis, 2018; www.WBG.org.uk, accessed 13.04.2018). Inflation, the inability of work to lift people out of poverty, and the reduction of benefits in real terms, and uneven incomes due to temporary and insecure employment have contributed to the increasing impoverishment of working age individuals. These structural factors drive the need for credit (Montgomerie and Tepe-Belfrage, 2018; Moore, 2018).

<u>Poverty</u>

This thesis discusses the impact of credit on people who live in poverty. But poverty has a variety of definitions each of which have different implications and affect the assessment of what type of impact responsible high cost short term credit (HCSTC) has on those who use it. Firstly, there are the 'absolute' and 'relative' definitions of poverty. The European Anti-Poverty Network defines absolute poverty as 'when people lack the basic necessities for survival. For instance, they may be starving, lack clean water, proper housing, sufficient clothing or medicines and be struggling to stay alive' (EAPN, 2020). The OECD define it as 'an income level that is considered minimally sufficient to sustain a family in terms of food, housing, clothing, medical needs, and so on' (Organisation for Economic Co-operation and Development., 2008:413).

Both definitions use the term 'sufficient' and address only the elements needed for 'mere survival' (Rowntree, 1902). But that which is deemed sufficient for 'survival' is unique to each society's expectations, legal requirements, geographical location, and place in time. As such, it is argued that the 'absolute' concept of poverty is 'misleading and inappropriate' (Townsend, 1979). For example, the minimum acceptable standard of housing today in the UK reflects a higher standard of acceptable accommodation than it did before 1909 when The Town Planning Act banned the construction of slum-type dwellings. However, slums continue to exist in other parts of the world.

Relative poverty, on the other hand, defines poverty in relation to the earnings or purchasing capacity of peers. For example, Rutherford and Arora (2009:1) define it simply as 'someone who, compared to their fellow citizens, don't have much money' (2009:1). They state that this definition has gone out of fashion among academics and those in the aid industry, but that to talk about 'the poor' by comparing them to others, is a relative assessment. Townsend defines relative poverty as 'lack[ing] the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary, or are at least widely encouraged or approved, in the societies to which they [people] belong. Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities' (1979:31). His definition highlights both the relational and the exclusionary nature of poverty. The Department of Work and Pensions (DWP) quantify this as earning 60 percent or less of the median income (Belfield *et al.,* 2016; Padley and Hirsch, 2017).

The Minimum Income Standard (MIS) is a new conception (since 2008) of relative poverty which is carried out by Loughborough University's Centre for Research in Social Policy. It states that 'a minimum standard of living in Britain today includes, but is more than just, food, clothes and shelter. It is socially inclusive and considers what a family needs in order to have the opportunities and choices necessary to participate in society' (Hirsh, 2015:8). It is very similar to Townsend's 1979 definition but has quantitative analysis attached to a variety of household types to ascertain the level of income required for different households to achieve a 'decent' standard of living. This calculation produces a defined income required per household type that is derived from a detailed list of all the categories of purchases deemed necessary by peer groups to obtain this standard. It includes functional and social needs. For example, there is a category within MIS which specifies what a couple with two children require for social and cultural participation. This is made up of 'entertainment and recreation', 'UK holiday', leisure goods, birthday gifts, Christmas gifts and Christmas decorating. Under the sub-category entertainment and recreation, specific nominal figures are given for expenditure on 'parent's social and leisure activities', 'family day trips', 'afterschool activities', 'swim and toddler group', 'TV licence', school trips, 'broadband internet' and 'year 6 residential trip' for a couple with two children (http://mis.jrf.org.uk/ Accessed 5.10.2016). Income below the level needed to meet these needs is judged to be a poverty income according to the MIS.

The data demonstrates that currently, 19 million people (29 percent) live in households that do not generate enough income relative to the MIS and are not able to fully meet their social needs (Stone *et al.*, 2019)[12]. This creates a need for more money in order to participate in society in a way necessary to mitigate social exclusion that an income below MIS implies. This shortfall is addressed in a variety of ways, including an increased reliance on credit (Finney and Davies 2011).

The MIS definition is close to the definition of poverty I would like to use in this thesis, which is based on Lister's human rights conceptualisation of poverty. Lister's definition redefines poverty in exclusionary terms to encompass the lived reality of people on low incomes and considers how the lack of material resources causes an inability to fully participate in society (Lister, 2004:7). This moves us away from technical and quantifiable descriptions to focus on the lived experiences of the person in order to understand poverty's non-material elements, which arise from 'everyday interactions with the wider society'. This definition includes the impact of how people in poverty

[12] See also Appendix 5 - Number and Proportion of Individuals in Households below MIS and Below 75 percent of MIS

are frequently treated, which can create a 'loss of self-esteem, feelings of powerlessness, anger, depression, anxiety and boredom' (Beresford *et al.*, 1999 cited Lister, 2004:10).

Lister 'looks not just at resources but also at the capabilities, choices, security and power needed for enjoyment of an adequate standard of living and other fundamental, civil, cultural, political and social rights' (Lister, 2004:11). This definition demonstrates how people on low incomes can *feel* more or less in poverty and is an approach shared by Longhurst and Hargreaves in their 2019 study of fuel poverty. Another important feature of Lister's definition is the focus on choices, security and power, the lack of which is felt keenly by people on low incomes and contributes to a feeling of precariousness. It is to this which we shall now turn.

The Precariat

'Precarity' forms part of the thesis title, and I make the claim that the participants are living in precarious circumstances. Therefore, it is important to define 'precarity' and 'the precariat' as it has a variety of meanings, as I shall explain and define later in this chapter. But the term precariat, which I use in this study, is one of many which I could have chosen, all of which are potentially problematic due to their associated ideological baggage. Other terms which are used in the literature include the working class, the underclass (Lewis, 1969; Murray, 1984), the 'benefit class' (Murray, 1984), the poor, and people in poverty (Standing, 2011; Shildrick *et al.*,2012; Savage *et al.* 2015; Standing, 2017).

The term ‘the poor’ is challenging because it is replete with negative values and judgments (Shildrick *et al.*, 2012) such as being ‘a source of moral contamination’, ‘a threat’, an ‘economic burden’, ‘an object of pity’ or ‘an exotic species’ (Lister, 2004:11). ‘The poor’ is also associated with ideas such as ‘deserving’ and ‘undeserving’, more about which will be discussed later in this chapter. People in poverty do not want to be referred to in such a derogatory way (Lister, 2004; Shildrick *et al.*, 2012; McKenzie, 2015), they are rarely asked how they want to be described (Lister, 2004), and often want to distance themselves from the associations of poverty (Hudson *et al.*, 2016).

This group are sometimes called the working-class, particularly when classifying people by income group, home ownership, education levels and profession to categorise people into a hierarchy of class (Savage *et al.*, 2015). But since the late 1970’s and with the decline of many traditional working-class industries, the increasing globalization of business and the rapid development of high technological industries, there has been a shift in the occupational foundations of class in the UK (Savage, et al. 2015). This was evidenced when 161,000 people took part in the Great British Class Survey in 2013 (https://www.bbc.co.uk/news/magazine-22000973 accessed 29.06.2019). The results of the survey led to the claim that traditional class categories, such as ‘working class’ and ‘middle class’, are outdated and are better represented by seven new class categories ranging from ‘elite’ at one end of the continuum through to ‘precariat’ at the other (Savage *et al.*, 2015:170). The defining characteristics of all seven classes were based on a mix of economic, social and cultural capital (Ibid.). According to Savage *et al*.'s new classification, the 'precariat' might be a good collective term to use for people in the lowest income demographic.

There is a history leading to three definitions of the 'precariat' which have slightly different distinctions which are important to clarify. The term 'precariat' was first employed by sociologists in France in the 1980s to describe temporary or seasonal workers (Standing, 2011). Standing adopts this term and from the words 'precarious' and 'proletariat' invents 'precariat' and suggests it represents an emerging but fast-growing class. His definition of the precariat is heterogenous and not restricted to the bottom 5 percent of the income distribution. Instead, it is a class that can be found throughout the labour market from those at the lower end, whose parents were likely to have had traditional working-class jobs, such as miners and dockers, to those who have a university education and high, but unrealised, hopes for the future and are debt laden. Standing also identifies a third group who are generally migrants, refugees and minorities. However, they all share a life of existential insecurity characterized by labour insecurity, insecure social income, unstable living, frequent unemployment and a lack of occupational identity (Ibid.).

Savage *et al.*'s (2014) definition differs in that it is confined to the bottom of the social and economic hierarchy and is based on very low levels of economic, cultural and social capital rather than the absence of organisational, social, or community benefits which is a defining feature of Standing's work. In contrast to the miners and dockworkers of Standing's definition, 65 percent of Savage *et al.*'s precariat were born to parents who were manual workers or who had never worked. Savage *et al.* identify that the insecurity of work provokes a tendency for people in this group to spend money when it is available because they cannot be sure of when they will have money again (2014). They experience a daily struggle to manage financially due to the limited nature of their resources. They are unfairly represented by patronizing and mean representations in political and media discourse (McCarron and Purcell, 2013; Tyler, 2013; Lister, 2017). The 'precariat' is frequently on the 'receiving end of extensive stigmatizing' behaviour (Savage *et al.*, 2014:337)[13]. This occurs when interacting with others in society (Pemberton *et al.*, 2014; Boland and Griffin, 2017) and when dealing with government officials (House of Commons Work and Pensions Committee, 2014).

Shildrick *et al.*'s (2012) work on the precariat leans heavily on Standing's work but like Savage, is also limited to those on low incomes as their research is based on the poorest 5 percent of people in Middleborough who find themselves in a 'no pay low pay' cycle. Shildrick *et al.* (2012) describe the precariat specifically as those whose incomes are precarious due to moving in and out of low paid work and benefits, dealing with a difficult benefits system, and dealing with debt. Members of this class have low educational achievement and low levels of health. They have work which is low in status, renumeration, prospects and features limited benefits and statutory

[13] See also McCarron and Purcell, 2013; Tyler, 2013; Lister, 2017

entitlements (Shildrick *et al.*, 2012). The jobs are of poor quality and require no skills or qualifications. They are jobs which are unstable, unreliable and insecure. They cycle between employment and unemployment and may need to borrow money whilst waiting to receive welfare benefits when they become unemployed. The wait can last as long as six weeks. They are also more likely to have their benefits completely cut off due to the introduction of sanctions and re-assessment (Pemberton *et al.*, 2014), leaving them with no income for as long as three years (Webster, 2014). This new social class is growing in numbers (Shildrick *et al.*, 2012).

Waiting this long to receive an income often increases precarity as people take poorer quality employment with lower earnings and job instability (Griggs and Evans, 2000). However, before implementation of more extensive sanctions and re-assessment (Pemberton *et al.*, 2014), families on benefits may have had more security than those in precarious employment. Although the process of getting benefits can be difficult and administratively onerous, once a decision was made, the benefit recipient had some stability regarding the amount they would receive and with what frequency. But with the introduction of universal credit, sanctions and re-assessment, benefit income is now more precarious than it was.

There are many similarities between Standing, Savage *et al.* and Shildrick *et al.*'s definitions. Employment is insecure and temporary and is punctuated by spells of unemployment. There is a lack of a safety net for precariat workers. They face a life of economic uncertainty and live on the edge of unsustainable debt. Earned income is supplemented by insecure state benefits with lives that are subject to stigmatization, insecurity and injury (Shildrick *et al.* 2012; Savage *et al.*, 2014; Standing, 2011; 2017). Standing and Shildrick use vivid descriptions of precarious living but only Shildrick *et al.* and Savage *et al.* limit this group to the bottom 5 percent of the income distribution. Savage *et al.*'s definition is based mainly on stores of capital, yet the numbers of people in the 'precariat' who engaged with the survey that generated this new class was low. This group make up 15 percent of the population, but only 1 percent of the survey respondents came from this group and as such, Savage *et al*, had to find other ways to study this class group (Savage *et al.*, 2014). Shildrick *et al.*'s detailed description of the precariat appears to align most closely with the characteristics of Moneyline's customers, and therefore, when I use the term precariat, this is the definition to which I am referring.

Deserving and Undeserving Poor

Due to the features of precarity as described by Shildrick *et al.* above, it is a group of people who have varyingly low levels of income. They are sometimes known as 'the poor' and this group have historically been, and continue to be, divided into the deserving and the underserving poor categories (Hudson *et al.*, 2016). Those who are 'deserving' are said to be poor through no fault of their own (Rowntree 1901) and should be helped. Those who are 'undeserving' are blamed for their poverty (Hudson, *et al.*, 2016; Lister, 2017; Boland and Griffin 2017; Sparkes, 2019) and are viewed as deficient (Lister, 2004), lacking in personal responsibility whilst their poverty is regarded as a personal failing (Standing, 2011; Taylor-Gooby, 2015; Clarke, 2015; Boland and Griffin, 2017; Lister, 2017; Sparkes, 2019). It is understood to be of their own making through an irresponsible use of income (Rowntree, 1901; Townsend, 1979), laziness, and weak moral character (Townsend, 1979; McCarron and Purcell, 2013). The understanding is that the undeserving poor should not be helped through charity or state benefits. This concept has been around since at least the 1600s with the enactment of the Elizabethan 'poor laws' (Shildrick *et al.*, 2012; McCarron and Purcell, 2013; Hudson *et al.*, 2016) and persists today (Hudson *et al.*, 2016; Lister, 2017).

Social attitudes to unemployment are harsh and there is a decline in sympathy for the poor, and an increased condemnation of the unemployed (Taylor-Gooby, 2013). The undeserving poor narrative is communicated, deepened and widely accepted through repetitious messaging via government communication and the mass media, such as newspapers, radio, television, journalism and advertising (Murray, 1984; Jones, [2011] 2016; Shildrick, *et al.,* 2013; Tyler, 2013; Hudson *et al.*, 2016; Lister, 2017). Disparaging media content about the 'undeserving poor' is produced by those outside of the group 'for conscious political or commercial advantage' (Wacquant, 2008 cited Tyler, 2013:175), and it entrenches and hardens the belief and disgust (Tyler, 2013; Sparkes, 2019). It pulls the dialogue away from the structural causes of poverty (Lister, 2017; Sparkes, 2019), absolves the political responsibility to solve it (McCarron and Purcell, 2013) and feeds into political action (Hudson *et al.*, 2016). This then perpetuates economic and social inequalities by using the poor as scapegoats for wider economic problems (McCarron and Purcell, 2013) and justifies welfare cuts (Ibid.). This is despite only 3 percent of benefit expenditure going to the unemployed (Boland and Griffin, 2017). Currently, 60 percent of people in poverty are in work (Alston, 2018) and 70 percent of the unemployed find work again within a year (McCarron and Purcell, 2013).

This is, notwithstanding, the false dichotomy between the worker and the 'shirker', the shirker being the person who lives life writ large using benefits paid for by tax payers' money (Savage *et al.*, 2014), accepted politically and informs policy developments (Shildrick, *et al.*, 2012; Taylor-Gooby, 2013). In 2014, Ian Duncan-Smith made a welfare reform speech which was based on this popular narrative where he accused people of 'languish(ing) out of work' and needing 'incentives' to get back into work. He stated that the 'British were unwilling to work' and were in a 'chain of dependency'. He implied that people on sickness benefit were fraudsters as they were 'unseen'. This narrative informed the government's welfare and benefit reform such as Universal Credit, which has much harsher and more stringent eligibility and conditionality criteria (Standing, 2011; Carter, 2013; Shildrick *et al.*, 2014). It is argued that the undeserving poor narrative is persistent, because it fits in with the current neoliberal ideology (Standing, 2011).

<u>Impact of Poverty</u>

A life lived in poverty and/or precarious employment, and the persistent undeserving poor narrative has several impacts (Boland and Griffin, 2017). It has a negative impact on health (Shildrick *et al* 2012), and causes increased mortality rates (Brenner, 1973; 1979) and material harm (Bramley *et al.*, 2016).

Reduced educational attainment is a well-documented impact of poverty (Rogaly *et al.*, 1999; Noden and West, 2009; Raver *et al.*, 2011; Shildrick, *et al.*, 2012; Francis and Hutchings, 2013; Grundiza and Vilaplana, 2013; Lewis, 2014; Hill *et al.*, 2016; Ferguson, 2017; Lee and Jackson, 2017; Reay, 2017). Sennett and Cobb (1972) identify this as a 'hidden injury of class' because schools perpetuate educational inequality based on class differences (Sennett and Cobb, 1972; Noden and West, 2009; Francis and Hutchings, 2013), and low-income parents do not have the knowledge or cultural capital to help their children in the same way that middle class parents do (Bourdieu, 1984; Reay, 1998; 2005; Field, 2008; Bennett *et al.*, 2009; Field, 2010; Grudinza and Vilaplana, 2013; Francis and Hutchings, 2013). Middle class children have access to better schools, more effective parental advocacy (Francis and Hutchings, 2013; Reay, 2017) and parents who pass on the importance of education (Grudinza and Vilaplana, 2013). Lower-income parents generally do not have the resources to provide private tutors and extra curriculum resources (Field, 2010; Grudinza and Vilaplana, 2013; Francis and Hutchings, 2013; Reay, 2017).

The literature states that some low-income pre-schoolers face reduced behavioural (Raver *et al.*, 2012) and cognitive (Field, 2010; Jackson, 2017) development vis a vis their wealthier peers which limits their ability to learn. Furthermore, the 'emotional climate' in schools in deprived areas can be highly charged due to pupils being 'anxious, traumatised, unhappy, jealous, angry or vulnerable' (Lupton, 2004:9). This is not compatible to a conducive learning environment. Children's relationships with teachers can be affected when they are unable to afford to take part in chargeable school activities and it can 'damage their experience of formal schooling' (Hirsch *et al.*, 2012). The educational provision in areas of high deprivation are inferior to those in more affluent neighbourhoods from childminder level through to secondary schools (Field, 2010; MacInnes *et al.*, 2015; Reay, 2017). The worst schools struggle to recruit and retain the best teachers (Field, 2010; Weale, 2016; Homer, 2017; Reay 2017). Consequently, children in poorer areas consistently receive inferior quality teaching compared to their richer peers. Additionally, teachers can have unconscious class biases regarding attainment which can become a self-fulfilling prophesy (Packard, 1961; Sennett and Cobb, 1972; Banerjee and Duflo, 2012; Reay, 2017) thus limiting attainment, expectations and motivation (Field, 2010; Reay 2017).

The effect of low educational attainment is linked to an inability to gain stable and well-paid employment as an adult (Sennett and Cobb, 1972; Townsend, 1979; Johnson, 2017). This often increases the risk of being severely materially deprived compared to individuals with high levels of educational attainment (Serafino and Tonkin, 2014). It further heightens feelings of shame and stigma and reduces levels of self-esteem when entering the workplace and facing a limited range of employment options (Sennett and Cobb, 1972). People who are the least qualified are more likely to be in low paid work (Palmer, 2018), receive less training (Johnson, 2017) and tend to stay stuck in low paid work (Ibid.). Low education achievement is consequently highly predictive of poverty and severe material deprivation compared to those with a high level of education (Serafino and Tonkin, 2014), and people who have low levels of educational achievement are likely to have children who also go on to have similarly low levels (Ibid.).

Children who live in poverty can also experience damage to their physical health, self-esteem and long-term development via social exclusion and material (Hirsch *et al.*, 2012). When they are unable to afford to join in activities with their peers, they find it hard to make and maintain friendships. They feel different, and it can attract bullying and stigma as well as boredom, and for some, can lead to criminal or antisocial behaviour (Ibid.). Furthermore, children living in low income families are more likely to see their parents experience relationship difficulties and separation (Shildrick, *et al.*, 2012; Grundiza and Vilaplana, 2013; Lewis, 2014; Hill *et al.*, 2016).

There are also economic costs to poverty. These costs are borne by government, who spend one in every five pounds mitigating the effects of poverty in people's lives. This represents 4 percent of GDP or £78 billion (Bramley *et al.* 2016). It is also felt by families who do not have enough money. One in five families manage on budgets which represent at least 25 percent less than the Minimum Income Standard (Padley et al., 2015). Families are also affected by the poverty premium which is 'a notional extra cost that affects the price of goods for people on lower incomes compared with the cost that is paid for the same goods and services by higher-income families' (Westlake, 2011:3). This varies but can be as high as £1,280 a year for the average low-income family (Ibid.).

The biggest contributary cost to the poverty premium is found by those using high cost credit (Davies et al., 2016) who have no other credit choice (Ibid.) than to borrow from high cost providers in order to survive (Perry, 2010).

But most of the literature deals with the psychological or emotional impacts of poverty. Research states that poverty creates psychological harm (Pemberton *et al.* 2014; Bramley *et al.*, 2016) such as increased risk of anxiety and depression (Macky and Haines, 1982; Shildrick, *et al.*, 2012; Grundiza and Vilaplana, 2013; Lewis, 2014; Hill *et al.*, 2016), increased loneliness, social isolation and psychological decline (Jahoda, 1982; Pemberton *et al.*, 2014).

Part of the emotional impact of poverty (Boland and Griffin, 2017) lies in its ability to erode self-worth, self-esteem and confidence (Shildrick *et al* 2012; Pemberton *et al.*, 2013). This is because poverty is linked to the ability to generate or spend money, work and pay taxes (Pemberton *et al.*, 2014). When this is not possible, a clear divide is established between individuals who have and do not have 'the means to participate in society' (Lister, 2004). This is felt by the low-income individual and they are 'othered' because they are treated differently and in a manner which is inferior to the rest of society (Lister 2017) thus creating shame (McCarron and Purcell, 2013; Pemberton *et al.*, 2014; Ier.org.uk., 2015; Lister, 2017), anxiety and depression (Lewis, 2014; Barnard, 2017), fear and mistrust (Ier.org.uk., 2015), and isolation and loneliness (Ier.org.uk., 2015). People can also feel embarrassed by being on a low income, and this can stop them from seeking or accepting additional financial help (Longhurst and Hargreaves, 2019). Additionally, it is argued that children living in poverty face challenges in their emotional development (Field, 2010).

Poverty negatively impacts mental health (Brenner, 1973, 1977; Ier.org.uk., 2015; Boland and Griffin, 2017; Samaritans, 2017; NHS Providers, 2019) and is a risk factor for suicidal behaviour (Brenner, 1973; 1977; Samaritans, 2017). 92 percent of NHS Mental Health Trust leaders state that demand for their services is outstripping supply due to socio-economic factors such as financial hardship, the impact of the introduction of universal credit and benefit changes, rising levels of deprivation, unemployment and housing issues (NHS Providers, 2019).

'Social exclusion' is both a cause and an impact of poverty, but it is a contested term with no perfect definition because it encompasses so many different aspects which intersect depending on your focus (Peace, 1999). However, Burchardt *et al.*'s definition is preferred in this thesis and is defined as when a person is '(a) geographically resident in a society and (b) he or she does not participate in the normal activities of citizens in that society' (1999). 'Normal activities' include consumption, saving (including home ownership and pensions), education, labour or caring activities, political activity and social activity (Burchardt *et al.*, 1999). Social exclusion has structural causes over which the individual has limited control such as low pay, precarious employment, unskilled jobs, being unemployed, environmental deprivation, crime, vandalism, poor housing conditions, a lack of resources, lack of work, lack of services and consequences of government policies (Peace, 1999).

One mechanism through which social exclusion takes place is the use of symbolic power. This is a resource which operates in an unseen way to exclude and diminish people who are deemed undesirable, particularly those in poverty (Link and Phelan, 2014), thus creating symbolic injuries (Lister, 2004; Tyler, 2013; Link and Phelan, 2014; Pemberton *et al.*, 2014) such as stigma, stereotyping, shame, embarrassment, disrespect, humiliation, judgement, sneering and 'being looked down on' as a result of interaction with others (Pemberton *et al.*, 2014:32). It operates as a form of 'governance' to 'legitimize the reproduction and entrenchment of inequalities and injustices (Tyler, 2013:8) and can lead to the mental health impacts described above (Chai and Moneta, 2012). (See also symbolic violence below).

The reason poverty is so stigmatizing is due to the negative reactions from others when one is on benefits (Link and Phelan, 2014; Pemberton *et al.*, 2014; Hirsch, 2015) or living on a low income. This makes it difficult not to purchase the 'goods and services taken for granted by others' (Hooper *et al.*, 2007); the absence of which creates social stigma (Padley *et al*, 2015). Furthermore, to 'not be able to effectively perform roles as dictated by the societies in which we live or participate in the 'normal' activities of mainstream society' also produce stigma (Hooper, *et al.*, 2007:26). This is for several reasons. Firstly, social needs are as important as physical needs (Hirsch *et al*, 2012; Banerjee and Duflo, 2007; 2012; Oved, 2017). When those social needs are not met, it creates a distance between the majority of those that have, and the minority of those that do not have. This is because we are social creatures who seek approval (Smith, [1759] 2002).

This is visible in the often recounted impact of the inability to afford branded trainers which recurs in much of the literature surrounding the concept of stigma and the need to ‘fit in’ (Craine, 1993; Hirsch *et al*, 2012; Walker, *et al.*, 2008 cited Pemberton *et al.*, 2013; Cottom, 2013).

Having considered the impacts of poverty, it is evident that there is a strong emotional component to its impact which is based on a baseline of social norms and the social approval generated when these are met. It is clear that negative emotional states are generated when it is not possible to meet the social norms or gain the social approval that comes with them. Therefore, the next section of this review examines the sociological field of emotions and looks to literature to understand the role of emotions in demand for and use of credit by low-income individuals.

Emotions

The Sociology of Emotions

Emotion is as difficult to define as it is to study, with ongoing debates about how to define (Bendelow and Williams, 2005; Turner, 2009) and study this phenomenon (Lewis, 1995; Turner, 2009; Holmes, 2015). However, one definition of emotion is that it is an ‘existentially *embodied* mode[s] of being which involve[s] an *active* engagement with the world and an intimate connection with both culture and self’ (Bendelow and Williams, 2005: xiii). Another definition of emotion is that it is a ‘biologically given sense and our most important one. Like other senses, hearing, touch and smell, emotion is a means by which we continually learn and relearn about a just-now-changed, back-and-forth relation between self and world, the world as it means something just now to the self' (Hochschild, 2005:5). Both definitions link the person to the world and the culture which surrounds them through 'emotion'. It is an iterative and reactive process of exploring and learning about oneself in the world and this occurs in an active and embodied fashion.

Historically, there has been a reluctance to study emotions due to a positivistic bias in science (Williams and Bendelow, 1996; 2005; Lupton, 1998) which considered emotions to be irrational, unscientific and hysterical (Williams and Bendelow, 1996; Lupton, 1998). Emotions were considered biased, clouding judgement (Longhurst and Hargreaves, 2019), and not compatible with objective scientific principles (Williams and Bendelow, 1996; Lupton, 1998). Therefore, emotions were not fit for rational scientific enquiry (Williams and Bendelow, 1996; 2005; Lupton, 1998; Longhurst and Hargreaves, 2019) because they lacked 'reason' which is regarded as the 'indispensable faculty' necessary for scientific inquiry (Williams and Bendelow, 1996:xiii).

Despite the dominant 'dispassionate approach to emotions in the academy (Lupton, 1998), the theme of emotions was evident in the theories of the 19th century founders of sociology (Hochschild 2005; Turner, 2009). Emotions are the central component of Adam Smith's *Theory of Moral Sentiment* ([1759] 2002) and major contributions to this field were also made by Marx, Durkheim, Weber and Simmel (Hochschild 2005; Turner, 2009) as well as Mackay (1852). Furthermore, the 'anti-emotion' perspective has been challenged in recent years (Lupton, 1998) leading to a large contemporary literature on the sociological study of emotions (Stets and Turner, 2006), which is argued to have begun in the 1970's and 1980's (Williams and Bendelow 1996; 2005; Hochschild, 2005; Turner, 2009). More recently, a variety of disciplines have also incorporated the role of emotions and their effect on everyday life (Stets and Turner, 2006; Longhurst and Hargreaves, 2019) because it supports the understanding of the lived experience (Longhurst and Hargreaves, 2019).

For centuries, emotions and rationality were considered to be at opposite ends of the western philosophical spectrum (Turner, 2009). But a strength of the study of emotion is that it transcends 'dichotomous' thinking, such as mind vs body, nature vs culture, masculine vs feminine (Williams and Bendelow, 1996), fact vs value and objective vs subjective (Sayer, 2011). These divisions unnecessarily limit science (Williams and Bendelow, 1996). Emotions are said to lie at the point between these dualisms (Williams and Bendelow, 2005). They bring them together and create a merging between them. That which is considered separate, such as body vs mind, and fact vs value are not necessarily mutually exclusive but can overlap such as when a value is based on reason, or the body reacts in a certain way because of the mind, and vice versa. When emotion and reason overlap, this creates what Sayer describes as 'emotional reason' (2011) whereby emotions assist the process of reasoning, rather than being antagonistic to it (Franks, 2006; Turner, 2009; Sayer, 2011).

The Nature of Emotions

Emotions can be approached academically in a variety of ways ranging from the biological, natural or inherent approach on the one hand, to the socially constructed approach on the other (Williams and Bendelow, 1996; 2005).

Biological explanations for emotions have a long antecedent (Lupton, 1998) with an understanding that they are 'natural' and 'God-given' (Smith, [1759] 2002), genetic and inherited (Lupton, 1998). They are seen as outside social rules (Lyon, 2005), and are our most important sense (Hochschild, 2005) akin to thirst and hunger which need to be satisfied to ensure we meet our needs (Smith, [1759] 2002]). They work to guarantee survival by reacting to threats in the environment, thus precipitating action (Darwin, 1872 cited in Lupton, 1998:11; Smith, [1759] 2002). They are vital for social interaction (Smith, [1759] 2002; Lupton, 1998) to ensure that humans thrive (Smith, [1759] 2002). In this way, they serve a vital functionalist purpose (Hochschild, 2012) which can be driven by biology and are 'the language of the body' (Franks, 2006:39).

The biological perspective is also referred to as the positivist approach and identifies pre-existing emotional states which can be found in humans regardless of history or geography (Lupton, 1998). However, it is also acknowledged that the expression of emotions may be socially and culturally shaped (Ibid.).

The importance of biology in emotions is challenged by the social constructivist approach (Williams and Bendelow, 1996; Thoits, 1989 cited in Lyon 2005) where emotions are completely contextual and not inherent (Lutz, 1985). It focuses on social processes and relationships (Lupton, 1998; Ahmed, 2004; Mayall, 2005; Sayer, 2011) and situates emotions in a sociocultural frame (Lupton, 1998) which is dependent on past and present relations between people, and between people and their environment (Sayer, 2011), culture (Lyon, 2005), and historical, social and political contexts (Lupton, 1998). They are also shaped by membership of social groups such as social class and gender (Lupton, 1998). Denzin contends that emotions can only be experienced with the real or imagined presence of other people (Denzin, 1984) thus they are a bridge between the person and society (Denzin, 1984; Lyon, 2005; Mayall, 2005).

A weaker social constructionist view accepts that emotions are biological and physiologically grounded but are also dependent on context (Kemper, 1991), and whilst 'emotions always involve the body' (Hochschild, 2005:11) for example, through facial flushing, sensations in the stomach, heat in the chest, crying and smiling, for example, they are shaped by social and cultural features, regional and historical differences in expression and meaning (Lupton, 1998; Hochschild, 2005) and structural conditions (Lupton, 1998). A fuller understanding of emotions occurs when combining biological, social and cultural perspectives (Hochschild 2005; Lyon, 2005).

The structuralist perspective is a socially constructed one whereby it is explained that emotions underpin social relations and serve to maintain the social order through emotions such as shame, guilt and embarrassment (Scheff, 1990). These are argued by some to be 'primary social emotions' (Ibid.) because they are the felt signs which demonstrate the condition of the social bond. Pride shows that the bond is strong, and shame indicates that it is threatened or broken (Ibid.). When the social bond is affected by oppression and alienation due to socio-structural inequalities, this produces negative emotional states (Marx, cited in Lupton, 1998).

However, opinion differs over which emotions are primary and which are secondary with no clear way to differentiate between them (Lewis, 1995; Thamm, 2006; Turner, 2009). That being said, Lewis argues that primary emotions are those such as 'joy, sadness, anger, disgust, interest, and fear' because they occur early in a person's development and do not require self-consciousnesses (1995:9). It is argued that emotions such as shame and pride, are secondary emotions (Lewis, 1995; 2003; TenHouten, 2017) because they involve self-consciousness and an awareness of one's actions in comparison to prevailing standards and other people's reactions (Lewis, 1995; 2003; de Hooge *et al.*, 2018). Shame and guilt, in particular are the result of failing to meet a particular 'standard, goal, or rule' (Lewis, 1995:9), violating social norms (Lewis, 2003; de Hooge *et al.*, 2018), and 'a state of self-devaluation' (Lewis, 1971 cited by Lewis, 2003:1186). They are linked to social relations (Lewis, 1995; 2003; TenHouten, 2017; de Hooge *et al.*, 2018), and concern the experience of feeling disapproved of by others (Darwin, 1965 [1872]; Lewis 2003; de Hooge *et al.*, 2018).

The Embodiment of Emotion

Emotions are felt in and expressed by the body (Darwin, 1965 [1872; Lupton, 1998; Lewis, 2003; Turner, 2009) such as when we cry in happiness or sadness, feel sick with anxiety, hot and red with embarrassment, tremble with nerves or smile with joy. Rosaldo describes this as being embodied flushes, pulses and 'movements' in the heart, stomach and skin (1984 cited Lyons, 2005). They are described as a physical commentary on the conditions of our lives and what is important to us (Sayer, 2011) and are argued to occur when our sense of social status and ontological security is threatened (Giddens, 1991; Freund, 2005). According to Freund, this is because challenges to our sense of social status and ontological security challenge our sense of emotional and social control (2005). This situation is argued to generate negative emotional states (Giddens, 1991), which have bodily expressions in the face, the voice and the body (Lewis, 1995).

Ontological Security

The term 'ontological security' has been introduced with reference to the embodiment of emotion in the section above and I shall now define this phrase as it is the operational term in the thesis' title. It is defined by Giddens as 'confidence or trust that the natural and social worlds are as they appear to be, including the basic existential parameters of self and social identity' (1984:375). 'Trust' is developed by having strong 'frameworks of existence' (Giddens, 1991) such as regular income and/or work security, and it is linked to psychological security (Giddens, 1991).

It has been described as an 'internally held feeling of security' which is produced by a sense of belonging and stability (Innes, 2017:381). People feel ontologically secure when they believe that there is a level of predictability or reliability in their material environments and relationships (Giddens, 1991; Dupuis, 2012). In contrast, when a sense of stability is lacking and a person has 'deep insecurities about their existence', a person can feel ontologically insecure (Laing, 1964 cited in Dupuis, 2012:156). It is argued that the feeling of ontological insecurity can become embodied and manifest in 'various symptoms of mental illness' (Laing, 1964 cited in Dupuis, 2012: 156). It has been said that feeling ontologically secure is a deep emotional need for people (Giddens cited in Dupuis, 2012) which is developed from the trusting relationships and expectations of behaviour observed which are formed in childhood (Giddens, 1991).

Ontological security as a concept has been used in a wide variety of subject areas. Two examples from an extensive literature include how ontological security is linked to the concept of home and its role in making people feel safe, secure, permanent, and in control (Dupuis, 2012). There is also a study linking mobile technologies to ontological security and how they provide 'stability, structure and meaning' to people's lives (Amigo, et al., 2017). As varied as these subjects are, they both demonstrate how material objects (a home, a telephone), can be the site of deep meaning and can be a conduit for increasing a person's sense of ontological security.

Emotions and Low Income

Emotions are argued to be distributed unevenly according to class stratification (Collins, 1975; 1990; Barbalet, 1998; Turner, 2009) and that class divisions create negative emotions for those in the lower classes (Marx cited in Turner, 2009:350). It is also recognised in many of the theories of emotion that the 'relative resources of individuals' have a large impact on the emotions (Turner, 2009:347). There are particular emotional expressions which can occur when people are in lower social class groups or 'stigmatized' social positions (Barbalet, 1998). This could be due to the reduced levels of power and status having a low income or being in receipt of benefits confers in our society. Additionally, people in lower social classes are less likely to feel that they control their future due to the lack of 'job security, material resources, power, and prestige' (Barbalet 1998 cited in Turner, 2009:350). The stratification theories of emotion and the power-status theories of emotion describes how levels of power and status in social relationships generate a variety of emotional responses (Cooper, 1975; 1990; Barbalet, 1998; Kemper, 2006; Turner, 2009).

Power is described as the ability to get others to do what you want them to do (Kemper, 2006). This occurs in a variety of ways and settings. Of particular relevance to this thesis is the power to access 'vital resources' (Kemper, 2006:90). The financially excluded have no power over the decision of credit lenders and are in a position of no power when an application for credit is declined. Kemper describes situations such as this as 'own power insufficient' and he hypothesises that the emotion generated in this situation is fear and anxiety (2006:98; see also Barbalet, 1998). This could lead to a reduction in status because of the deprivation (in resources) it can lead to. This is described as 'own status insufficient' and Kemper hypothesizes that it leads to feelings of sadness and depression (2006:100). The perceived unjust nature of the situation is expected to lead to anger (Kemper, 2006).

Conversely, when one has sufficient power and control, one is 'own power adequate' and this is expected to lead to feelings of safety or security (Kemper, 2006:98). When this power and control leads to a predictable future, the emotion that is expected is confidence (Barbalet, 1998). Having feelings of safety and security, and a belief that one has sufficient power and control to create a predictable future can increase one's personal feeling of status. This is described by Kemper as 'own status adequate' and he hypothesizes that it will lead to feelings of contentment and satisfaction (2006:100).

The power-status theory of emotions is in accord with the extant literature which describes how people who are 'stigmatized' are likely to experience threats to their ontological security and encounter stress or anxiety as a result because they have less social power and fewer resources with which to resist the social demands placed on them (Giddens, 1991; Freund, 2005; Fields *et al.*, 2006).

Ontological insecurity can generate negative emotional responses and these can be 'somatised'. This means that they are felt in the body (Freund, 2005; Fields, *et al.*, 2006) and make up some of what we call 'body-language' (Johnson, 1987; Freund, 1988; 1990;

Lakoff, 1987 cited Prendgast and Forrest, 2005; Lyon, 2005). They are often a more accurate representation of how somebody is feeling compared to what they say (Lupton, 1998).

Cultural Dictionary

The physical embodiment of the emotions, as described above, often has metaphorically descriptive expressions such as ‘don’t hold your breath’, or ‘you leave me breathless (Freund, 2005; Lyon, 2005). These can be part of a ‘cultural dictionary’ which is a collection of words used to describe collectively shared ideas about emotions which are shaped by the surrounding culture (Hochschild, 2005). Without shared meanings, it would be very difficult to communicate and interpret the communication of others (Robertson *et al.*, 2006). The cultural dictionary defines what should and should not be felt in any given context (Hochschild, 2005; Fields *et al.*, 2006) and has a shared language (Prendergast and Forrest, 2005) so that your emotional expressions are understood by those around you (Ibid.). The types of emotional expression are argued to be learned and influenced by your family background (Lupton, 1998), gender (Lupton, 1998; Fields, *et al.*, 2006), social context (Hochschild, 2005) and national culture (Fields, *et al.*, 2006; Peterson, 2006). Although it is argued that there are some emotional expressions, for example, anger, which are the same across different cultures (Schieman, 2006).

Emotion Management

There are times when one's emotions are at odds with those which are expected to be expressed in a given situation. For example, feeling sad when given a present because it is second-hand, yet you are expected to be happy because it is nonetheless a present (Hochschild, 2012). This then requires an act of 'emotion management' (Hochschild, 1979, 2012) whereby one exerts an effort which may or may not be conscious, to modify the degree or quality of one's emotion to bring it in line with one that is socially acceptable to the onlooker (Hochschild, 2005, 2012; Longhurst and Hargreaves 2019). The purpose of this is to regulate and maintain social order (Lupton, 1998), but this is said to have a detrimental effect on individuals' emotional welfare (Ibid.). But the emotion management concept can be extended to include the actions one takes to actively change one's emotions from negative to positive, and it is to this which I shall now turn.

Emotional Pain Motivates Action

We have hitherto explained the variety of approaches to the study of emotions and key concepts such as cultural dictionaries and emotional management. This section builds on this and discusses the purpose of emotion, which is argued to be to motivate the individual to act (Aristotle, 384-322 BC cited Williams and Bendelow, 2005:250; Smith, [1759] 2002; Folkman and Lazarus, 1988; Mesquita and Frijda, 1992; Oakley, 1998; Lupton,1998) to promote the wellbeing of ourselves, our children and our loved ones (Smith, [1759] 2002; Lupton, 1998; 2013; Oakley, 1998; Sayer, 2011). People consider what action is appropriate to take based on past experiences and related emotional reactions to them (Giddens, 1991; Sayer, 2011).

This is evident in the etymological root of the word ‘emotion’ which comes from Latin, emovere, referring to ‘to move’ (Ahmed, 2004). Emotions therefore compel us to move or to act (Smith, [1759] 2002; Marshall, 1895 cited Williams and Bendelow, 2005; Engel, 1895 cited Chai and Moneta, 2012; Oakley, 1998; Freund, 2005; Felmlee and Sprecher, 2006; Kemper, 2006; Stets and Turner, 2006; Sayer, 2011) and ensure our survival by reacting to ‘threats and dangers in the immediate environment, as well as signalling future actions or intentions’ (Darwin, 1872 cited Lupton, 1998:11).

Threats in the immediate environment come from a variety of sources, including when we are at odds with the good opinion of others in society; a feeling which generates negative emotional states which are painful. This motivates the individual to act to change this opinion and thus resolve the painful negative state they are in (Smith, [1759] 2002) which has come from the urge to satisfy needs to promote wellbeing (Smith, [1759] 2002; Engel 1985 cited Chai and Moneta, 2012).

Emotions operating within this process are shame, which is produced when one is at odds with normative behaviour, and pride, when one conforms to it. Shame has a ‘self-regulating’ function which helps us to monitor our own behaviour and adhere to socially accepted norms (Scheff, 1990) because humans often seek the approval and respect of others and may dread social condemnation or disapproval (Smith, [1759] 2002). By responding to the shame in the form of remedial action, humans can increase their levels of self-worth (Oakley, 1998).

<u>Consumption</u>

In response to Graeber's assertion that many works never define the term 'consumption' (2011), this next section looks at a brief history of the term and provides a definition.

If we go back to the Latin root of the term, it means 'to consume' or 'to seize or take over completely' (Graeber, 2011: 491) which implies eating up, destroying and wasting (Ibid.). When the term 'consumption' appeared in English in the fourteenth century, its meaning continued to be largely negative, implying the 'waste' of the material (Ibid.). That understanding as destructive continued until the seventeenth century (Ibid.) and remnants continue to be seen in contemporary discourses around the morality of consumption and the consumer society (Evans, 2019).

In the seventeenth century a new meaning of consumption arose which came from industrial capitalism and centred around the opposing concepts of production and consumption (Graeber, 2011:492). These were introduced by Adam Smith and David Ricardo in their theories of the economy (Ibid.).

These were the antecedents of today's general understanding of 'consumption' which refers to the 'purchase, use, or enjoyment of any manufactured or agricultural product for any purpose other than the production or exchange of new commodities' (Graeber, 2011:491). This conceptualisation of consumption continued through the 1960s and cultural concepts such as 'taste' were strongly based on the 'unequal, usually class-based, distribution of property and income in capitalist societies' (Warde, 2014:281). Consumption decisions were considered to be independently thought out after a process of 'personal deliberation' (Warde, 2014).

The 1970's saw the emergence of the 'cultural turn' which was critical of the industrial production/consumption models and turned its attention to the symbolic and communicative dimensions of consumption (Warde, 2014). This developed the study and understanding of consumption to consider its role in providing 'comfort and entertainment', 'cultural experiences', enabling 'personal self-development and self-expression' and constructing and maintaining social relationships (Warde, 2014:281). This development advanced scholarly thought away from the earlier, purely utility maximising perspectives which neglected the meaning making nature of consumption. But this turn was criticised for ignoring 'routine, ordinary, [and] inconspicuous consumption (Warde, 2014). This started to be addressed in the 1990s using 'theories of practice' in the sociology of consumption (Warde, 2014).

A Definition of Consumption

But these waves of sociological thought in the field of consumption does not lead us any closer to a definition that is considered to be 'fit for purpose' (Evans, 2019). Evans (2019) has created a framework-based definition borrowed from Warde's concepts

(2005; 2010; 2014 cited Evans, 2019). He defines consumption in terms of acquisition, appropriation and appreciation (the 3 A's) which encompass all forms of consumption (the visible, invisible and ordinary). Acquisition considers the ways people obtain their products. It goes beyond the industrial capitalistic definition by taking into account the political, institutional and economic factors that support consumption's production, delivery and distribution (Ibid.). Appropriation denotes what people do with what they acquire. It looks at the meaning people give to what they buy and how the goods and services are used in people's lives (Ibid.). This is closer to Miller and Zelizer's conceptions of consumption which are based on how people and relationships are constructed through consumption and are rooted in the 'cultural turn'. Appreciation looks at the 'pleasure and satisfaction' people get from consumption (Evans, 2019). It pulls in concepts of taste and judgement (Ibid.) and is reminiscent of Bourdieu's concepts of class differentiation and distinction.

The 3 A's are focused on the first stage of consumption; the why and how. The second part of Evan's definition focuses on the 3 D's and how people rid themselves of goods as they use them, and at the end of their life cycle.

The 3 D's are devaluation, divestment and disposal. Devaluation is the reduction in value of a good or service not only from wear and tear, but also due to cultural and economic devaluation as fashions change (Evans, 2019). The social and economic value of a good is high when it is novel and high in cost, but after it becomes standardised and cheaper, it loses some of its caché, but it might be only at that point that people on low incomes can afford it, and maybe, only when it is second hand. This impacts the social, cultural and symbolic value it might provide. Divestment is the unravelling of the meaning that has been given to a good (Evans, 2019). For example, an engagement ring after a break-up in the relationship is divested of its meaning and no longer has the symbolic value it once held.

Disposal is the opposite of acquisition and reflects the different ways goods are disposed of. It includes recycling, re-gifting, re-selling, as well as throwing things away. But in the first three examples, it is given a second life and becomes part of the 3 A's again where the method of acquisition, its appropriation and appreciation change. For example a second-hand laptop or bicycle purchased for a child by a parent has a different method of acquisition compared to buying it new. Its appropriation may change as the parent may not feel it represents the care to their child that they feel they might demonstrate if they purchased it as new. Furthermore, the levels of appreciation may change from excitedness, to mild disappointment.

Evan's definition of consumption is a very useful one because it encompasses the invisible, visible and important mundane purchases of goods and services and experiences which form part of consumption. Work from other sociologists from any of the eras of sociological consumption can also be incorporated into the 3 A's or 3 D's as they provide more explicatory power to the fundamental and broad definition. The two most important areas of consumption for this thesis are the mundane, and the visible.

Mundane and Visible Consumption

Mundane consumption is the consumer behaviour necessary to enact the mundane tasks of human activity and daily life such as preparing meals, traveling to work and relaxing (Klein *et al,* 1993; Warde, 2014). Most consumption is mundane in nature and mostly undertaken by women (Jackson, 1996). The 'cultural turn' in the study of consumption has largely neglected mundane consumption as the key focus was the 'display for others of symbols of identity' (Warde, 2014:282). A reaction to the 'biases' of the cultural analysis of consumption (Warde, 2014:286) was to look at consumption through the framework of theories of practice. This allowed for the study of consumption to 'emphasise routine over actions, flow and sequence over discrete acts, dispositions over decisions, and practical consciousness over deliberation (Warde, 2014:286). This represented a move away from the individualistic and rational perspective, to one that is based on practical consciousness, doing rather than thinking, and routine. The benefit of this framework is that it increased attention to the 'mundane activities of everyday life' (Warde, 2014:287) such as that needed for cleaning, washing and keeping warm. These have nothing to do with 'symbolic display, communication and presentation of the self' (Warde, 2014:287).

Sometimes, purchases are truly mundane. Examples of this are purchasing a washing machine to wash your clothes in, or obtaining a bus ticket to get from A to B. Sometimes they are uniquely visible such purchasing a tattoo or a piece of jewellery. But often, mundane purchases intersect with the visible in a way that 'contributes to and reflects our sense of identity' (Klein *et al.*, 1993: 411). For example, you can buy a cheap kettle from Argos[14] for £10, or you can buy one from a smart department store that costs £149 such as the brands 'KitchenAid' or 'SMEG'. They do not boil water any better than the cheapest kettles, but they might be more reflective of your sense of style, taste or interior décor. In this case, the kettle is used to simultaneously develop your own sense of self-identity, to communicate something outwardly about your socio-economic class or taste to visitors, and, to boil water for practical and ordinary cooking and drinking purposes. Furthermore, either kettle could be used to construct and maintain relationships if offered as a gift, depending on the economic circumstances of the giver and the receiver.

This example of both mundane and visible consumption in the one product is used to demonstrate that material goods are multifaceted and that the same product can be used for many purposes; both mundane and practical, symbolic, and relationship constructing. Furthermore, the variety of theoretical frameworks described above, including those based on production and consumption, symbolic meaning of goods, the role of consumption to construct and maintain relationships, and the theories of practice in understanding mundane consumption are all useful to capture the multifaced nature of consumption which for one product, even a simple kettle, can be looked at and interpreted in a variety of ways depending on the context and the purpose of the material good.

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[14] Argos is a UK high street store that sells a variety of products across different price points, but usually has very cheap ranges.

Consumption Norms

Consumption norms occur out of an unarticulated, yet collectively shared set of needs, rules, customs and practices (Bourdieu, 1984; Shove, 2003). This is done to live in a manner that is acceptable to most people within a given society through prescriptive behaviour (Townsend, 1979; Miller, 1993; Shove, 2003; Lester, 2013; Pellandini-Simányi, 2014). Consumption norms are prevalent in everyday life, change over time (Pellandini-Simányi, 2014), and become 'socially and psychologically ingrained' (Townsend, 1979:50). They are influenced by the tacit learning that takes place in the home by example, and relates to the consumption of food, clothing and appearance, and house decoration (Bourdieu, 1984). One could extend this to include the consumption of credit. Consumption norms are thus influenced by class (Veblen, [1899]2007; Bourdieu, 1984; Skeggs, 2002; 2012; Pellandini-Simanyi, 2014) as this reflects income levels which determine access to consumption (Bourdieu, 1984; Pellandini-Simányi, 2014) but class also shapes consumption by granting entry to certain practices through various forms of educational practices, income and taste (Bourdieu, 1984).

Bourdieu's analysis offers tools for understanding how consumption norms become established through competitive struggles over taste and how class is 'shaped by access to different capitals which over time become literally embodied, that is lived as bodily dispositions: our bodily movement, speech, and actions (especially dispositions such as confidence and anxiety)' (Skeggs, 2012:270). This demonstrates the strong link between class, and consumption norms as the stock of capitals (economic capital for the money, and social capital for the knowledge of what is the right thing to purchase in any given situation), excludes those on low incomes as they cannot afford to maintain consumption norms, and their cultural practices are not in line with those of the middle class who are the gate keepers. This keeps them down and out (Bourdieu,1984) and as Skegg states, actually shapes class (2012).

'Class differences are established via the mechanism of cultural taste' (Skeggs, 2012:271) and these tastes are set by the middle class and are the benchmark for consumption norms (Skegg, 2002). This is because they have access to the vehicles of symbolic capital through media, popular culture and political rhetoric to construct what is considered normative (Savage, et al., 2001 cited Skeggs, 2012). They create cultural capital for themselves through the practice of consumption (Skegg, 2012). And as I go on to describe in more detail below in the section on cultural capital, the demonstration of specific values and competencies through the material provides competitive advantages in education, employment, and social recognition which perpetuate their privilege and keep others out. They are thus exclusionary, and enable those with high levels of economic capital to increase their own value, while keeping others contained in social spaces with little prospect of conversion, unable to access the capitals that have value to enable social movement to occur' (Skeggs, 2012:186).

In contrast to the normative middle-class tastes, working class tastes, as described below, are seen as abhorrent and to be avoided (Skeggs, 2002). Deviation from the normative attracts social disgust, social isolation, and othering (Skeggs, 2012). The 'classifier' of tastes claims 'moral and taste superiority whilst pretending it is an objective cultural judgment' (Skeggs, 2012:277) which by its 'objectivity' lays the blame for 'deviation' on the working class themselves instead of looking to the institutional and government structures which perpetuate not only privilege for those who adhere to the consumption norms, but also the 'othering' narrative for those who do not (Sennett and Cobb, [1972]1993; Reay, 2017). Bourdieu considers that the judgements of taste and classification which are embodied in consumption norms, are acts of symbolic violence against the working class which are enacted through condemnation, shame, indignity, and their silencing (Bourdieu, 1986) to symbolically position them as valueless (Skeggs, 2012) and having little respect (Skeggs, 2002). I discuss symbolic violence and how this links to consumption and credit in more detail below in 'Consumption and Credit Use'.

Consumption norms emerge as people adapt to changing environments (Kameda *et al.*, 2005). People can maintain a positive self-image by mimicking some behaviours and conforming to others (Cialdini and Goldstein, 2004). People who are unable to comply with these norms feel powerless (Rucker and Galinsky, 2008). The sensation of powerlessness is a form of psychological pain (Lister, 2013) which is associated with poverty (Lister, 2004; McCarron and Purcell, 2013). People who feel powerless have a drive to restore a sense of power (Rucker and Galinsky, 2008), sometimes through 'visible consumption' in order to signal status to others when the sense of powerlessness is derived from a lack of material wealth and a lack of social reward

(Rucker and Galinsky, 2008:549). That being said, it is argued that more research is needed with respect to class inequality and consumption (Sparkes, 2019).

Adherence to consumption norms can be viewed as a form of communication (Veblen [1899] 2009; Packard, 1961; Bourdieu, 1984) because people, through their visible consumption are communicating something about their social standing and wealth to onlookers. This communication has a form of code which needs to be learned and is tacit (Bourdieu, 1984). Bourdieu discusses this concept in terms of a person of lower class not understanding the cultural pursuits of art and music of the higher classes because they have not had the education for it. But what I have not found in much of the literature, is that higher classes do not necessarily understand the code underwriting the consumption patterns and financing habits of the lower classes, for whom the behaviour might accrue social, cultural and symbolic benefits within their own peer group. This is known as sub-cultural capital and it is an alternative way of interpreting the social world from within one's own social position (Thornton, 1995), more about which is discussed later in this chapter under 'Capital'. The lack of understanding of the social practices of different classes may explain why high cost credit is so reviled and considered exploitative (Kempson and Whyley, 1999; Lenton and Mosley, 2012; Gentleman, 2013) by those with access to mainstream credit as they struggle to understand the 'needs' of those who are not like them.

Maslow created a hierarchy of needs with basic needs such as food and shelter taking priority above self-emancipation (Maslow, 1943). The need for food (Maslow, 1943;

Chai and Moneta, 2012) is believed to be satisfied before higher order needs are met, particularly for people on low incomes (Chai and Moneta, 2012). This idea is contested (Smith, [1759] 2002; Rutledge, 2011; Banerjee and Duflo, 2012; Oved, 2017) by a view that posits that whilst nourishment is a priority, it will only be to maintain existence, but additional income will not ensure full satiety before higher needs are met. This changes the order and shape of Maslow's hierarchy of needs (Maslow, 1943) from a triangle into something more iterative and dynamic (Rutledge, 2011; Oved, 2017). Higher order needs such as love (Oved, 2017) and social needs (Rutledge, 2011) and status goods (Banerjee and Duflo, 2012) will be met at the expense of food and heating (Veblen, [1899] 1994; Banerjee and Duflo, 2012).

Linked to Maslow's hierarchy of needs is Daly's explanation of the term 'need'. He explains how the boundary between essentials and luxuries is blurred for some people on a low-income. It is difficult to negotiate and sustain as 'absolute needs become harder to differentiate from relative need as people negotiate constrained choices in a deeply personal way' (Daly, 2016:457). Using the example of children, Daly explains how a 'need' is made up of two elements. Firstly, that which is necessary for a child's development and learning. Secondly, that which provides for their 'social face' or reputation. It is imperative that the children do not stand out as 'different' (Daly, 2016:457). It is thus understood that in today's consumerist society, non-essential goods are perceived to be 'essential' to the health, development and social reputation of a person, and that social survival is as important a reason for consumption as biological survival (Bauman, 2001).

Bauman's argument is preceded by Smith who argues that anxiety is created when the need to be respected by others is not met and that this is a stronger motivating force than that created by the basic needs (Smith, [1759] 2002). Veblen develops this idea further and theorises that reputational need drives consumption which he terms 'conspicuous consumption' ([1899]2009).

'Conspicuous' consumption is consumption which is visible and required to attain the respect, prestige, status, power and social value that is accorded by measure of wealth (Veblen, [1899]2009; Carruthers and Ariovich, 2010 cited Daly, 2016). It is argued by Veblen and Smith to be driven by the consumption norms of the 'superior' classes and then emulated by the classes beneath them (Veblen, [1899]2009; Smith, [1759] 2002; Cialdini and Goldstein, 2004). Veblen's theory is based on competitive levels of consumption whereby people comply with consumption norms to maintain their position in society. This requires spending increasingly more income to comply with such norms. Moreover, people will attain the highest standard of living possible as far as their capacity to earn will allow 'with a constant tendency to go higher' (Veblen, [1899]2009:133). In other words, people spend more than they earn in their tendency to emulate the class above them. But people find it hard to reduce their customary standard of living if they experience a reduction in income (Veblen, [1899] 2009). This has implications for people at the bottom end of the labour market in the UK, who as I described in the section on the economic impacts of poverty above, frequently veer between work and benefits and consequentially experience a high degree of income fluctuation (Dearden *et al.,* 2010; Shildrick *et al.*, 2012). As a result, they struggle to maintain a customary standard of living without the use of credit as credit is a 'function of persistent levels of low income' (Dearden *et al.*, 2010:44), or, they are excluded from consumption due to a lack of consumer credit because of financial exclusion and thus could suffer the anxiety described by Smith above due to their limited capacity to consume.

However, conspicuous consumption as an explicator for consumption is criticized for being too simplistic, incomplete, lacking applicability and lacking empirical basis (Edgell, 1999; Bagnall, 2011). But there are contemporary defendants of Veblen's theory who assert its contemporary validity as competitive emulation is used to maintain social reputation (Edgell, 1999; Sivanathan and Pettit, 2010). However, it fails to address ordinary and invisible consumption (Evans, 2019), and consumption which is used to construct relationships, which I discuss below.

There has been a focus, more recently, to examine how consumption is used in relationships. It is argued that consumption is used to maintain them (Miller, 1993; Swedberg, 2003; Zelizer, 2017), to enact and negotiate them (Miller, 1998; Zelizer, 2005), and to demonstrate love and care (Miller, 1998). The desire to maintain social connection will drive consumption but also creates a sense of identity (Goffman, 1969; Calder, 2009) which is shaken if the consumption requirements of that identity are not met. The example of 'the good mother' evidences this. The concept of the 'good mother' (Bagnall *et al.*, 2003; Lupton, 2012; 2013; Olsen *et al.*, 2015) is of a mother who meets her children's needs without failing to the point of sacrifices this requires (Lupton, 2012; 2013; Olsen *et al.*, 2015; Daly, 2016) expending heavily in time, mental energy and emotional labour to develop their and their children's social performance (Bagnall *et al.*, 2003) and to ensure their children have the institutional and embodied cultural capital (see capital below) needed to succeed in life (Reay, 2005).

An inability to perform the 'good mother' and protect the child creates negative emotions such as a loss of control and feelings of isolation which motivate action to resolve this (Lupton, 2013). To not act is to be seen as an irresponsible and neglectful mother by society which watches carefully to ensure adherence to the correct social practices required to raise a child (Maher *et al.*, 2010; McNaughton, 2011; Lupton, 2012; Olsen *et al.,* 2015). But this can be 'financially expensive' (Hays, 1996:8) and is often not possible to achieve for people on low incomes. Mothers who are unable to meet the demands of the 'good mother' thus suffer negative emotional reactions (Lupton, 2012[a], 2012[b]; 2013), although more research on the emotional dimensions behind this concept and its emotional ramifications is needed (Lupton 2012[a]; 2012[b]).

Christmas is a good example of how the concepts of consumption norms, visible consumption and the role of consumption in relationships and personal identity intersect and underpin the purchases made at this time (Clarke, 2007). People give gifts at Christmas to express love and maintain family relationships (Wolfinbarger and Yale, 1993; Lave cited Zelizer, 2017) and the nature of the gifts is argued to construct the giver and the recipient over time (Clarke, 2004; Miller, 2004; 2010).

Komter states that the main function of giving gifts is to create social ties and that this is ‘clearly demonstrated in the interaction between mother and child’ (2004:204). This intersects with consumption norms in that there are yardsticks of expenditure and specific goods to be purchased which represent those consumption norms and they differ by class (Werbner, 1996). There is a social pressure to adhere to them (Wolfinbarger and Yale, 1993; Clarke, 2007; Comparethemarket.com, 2017), but it is also an occasion where expensive goods can be purchased for your child to enable the effects of consumption for social status purposes (Craine, 1993; Hirsch *et al.*, 2012; Walker, *et al.*, 2008 as referred to by Pemberton *et al.*, 2013) which may produce symbolic or cultural capital (see capital below). This can be very important to the healthy social development of the child (Hirsch *et al.*, 2012). Furthermore, gifts can protect the child, help them to fit in and prevent ostracization (Wolfinbarger and Yale, 1993; Miller cited Zelizer, 2005). It is an occasion that demonstrates how relationships, things, and emotions are all in relationship with each other (Miller, 2008) and makes visible how cultural symbolic work takes place by converting economic transactions into social transactions (Zelizer, 2012). We can see that emotion permeates consumption activity (Veblen, [1899]2009; Weber, 1978; Swedberg, 2003; Daly, 2016) and that social relationships are embedded in economic activity (Granovetter, 1985; 2011; Zelizer, 2012).

Capital

As a way of mitigating the anxiety social exclusion produces, as explained above, it has been established that people attempt to gain some social status through consumption whereby goods such as clothing, cars, houses and jewellery for example, communicate a level of social standing and economic wealth. This is because the goods on display reflect the economic means necessary to obtain them and are thus clear 'social markers' (Bourdieu, 1984: 192). One of the ways this has been framed in the literature is in terms of 'capital', whereby consumer practices are used to gain access to spaces or social recognition which would otherwise be impossible in its absence. Bourdieu states that there are four forms of capital: economic, social, cultural and symbolic (1984) which are used as tools with which to understand how people use consumer practices to gain social advantage (Bourdieu, 1984; Longhurst and Savage, 1996) and are a set of 'useable resources and powers' (Bourdieu, 1984:114). It is to these that we shall now turn.

Economic Capital

Economic capital is an individual's stock of financial resources such as private property, profit and wages (Bourdieu, 1986). It is the possession of that which can 'immediately and directly' be converted into money (Bourdieu, 1986:16). The greater the level of economic capital, the higher a person ranks in social status because it confers power, authority and distinction (Bourdieu, 1984). All other forms of capital, as described below, can either be converted into, or embody economic capital (Bourdieu, 1986).

People in the lower social hierarchies experience reduced levels of economic capital and therefore also tend to have reduced levels of social, cultural and symbolic capital (Jenkins, 2006). People in the lowest social classes experience ‘economic insecurity' (Jenkins, 2006:13).

Social Capital

The concept of ‘social capital’ as it is currently understood by sociology was developed in the 1980s and 1990s by Bourdieu (1984), Coleman (1988) and Putnam (1993). Whilst there are conceptual differences between the three, they agree that social capital describes a set of resources, such as information, which can be found in relationships between people which are drawn upon and used to further their own interests. It is based on trust (Coleman, 1988), shared values (Field, 2008) and reciprocity of favours (Coleman, 1988) which can be drawn on in the future and are thus considered a stock or asset which can be used for beneficial purposes. Social capital is believed to accrue in proportion to the stock of relationships and networks the individual possesses (Field, 2008). It is cumulative (Putnam, 1993), with some relationships, or ties as Granovetter described them, being stronger than others (Granovetter, 1985; 2011; Coleman, 1988).

Like economic capital, social capital is productive in that it facilitates action. This is used to create something which in the absence of the given relationship, would not be possible. For example, information shared between agents can lead to employment opportunities thus potentially generating increased economic capital (Granovetter, 1985; Graf and Flap, 1988 cited Coleman, 1988; Putnam, 1993) and improving the 'perceived quality of their life' (Coleman, 1988:118).

This concept has been used and built upon extensively in extant literature (Field, 2008) which in general concludes that people with higher levels of social capital are healthier (Grootaert, 1998; Field, 2008; Cairn, 2017; Webarchive.nationalarchives.gov.uk, 2019), wealthier (Field, 2008), have better employment outcomes (Webarchive.nationalarchives.gov.uk, 2019), and their children have better educational outcomes (Field, 2008; Webarchive.nationalarchives.gov.uk, 2019). Furthermore, the communities in which they live experience less anti-social behaviour and lower crime rates (Field, 2008; Cairn, 2017; Webarchive.nationalarchives.gov.uk, 2019). However, class inequalities can result in the absence of social capital (Bourdieu, 1984; Putnam, 1993), and in that case, it can create impacts as devastating as those which arise from the inequalities in financial and human capital (Putnam, 1993), leading to social and economic isolation (Putnam, 1993; Cattell, 2001) and a prolonging of poverty (Walker, 2014).

Bourdieu considers social capital to be an exclusionary practice used by the elites (Bourdieu, 1984; Field, 2008) to 'keep people down', 'keep people in' and 'keep people away' using the power of stigma (Link and Phelan, 2014). But more recent research has identified that social capital, being relational, differs according to context and can be found in all social relations and social structures (Coleman, 1988). Therefore, it can be of benefit for less privileged social classes (Field, 2008) as it can override poor credit worthiness and financial exclusion by enabling the sharing of information on alternative sources of credit (Berthoud and Kempson, 1992; Van Bastelaer, 2000; Grootaert and van Bastelaer, 2001; Hadjimichael, 2014; Wheatley, 2014; Cairns, 2017). It is vital in the development of working-class credit (Ford and Rowlingson in Edgell *et al.*, 1996; O'Connell, 2009). It also plays an important role in the functioning of credit unions (Field, 2008). Access to credit can subsequently increase social capital thus raising levels of social inclusion (Dearden *et al.*, 2010). Resultingly, social capital has been cited as an important tool for poverty reduction (Grootaert, 1998; Grootaert and van Bastelaer, 2001) and is used as a concept in anti-poverty studies (Field, 2008).

It is argued that people on low incomes in all advanced societies experience a 'shrinking of social networks' and 'slackening of social ties' (Wacquant, 1993) with the blame placed on the declining role of the family and community. This reduces levels of social capital which could otherwise be used to reduce poverty. It is argued that this could be overcome by other means of information sharing (Coleman, 1988; Putnam, 1993) such as using the internet (Putnam, 2000 cited Field, 2008). But this is hampered by lower rates of access and computer literacy in low socioeconomic demographics (Ons.gov.uk. 2020). In this way, the idea of 'network poverty' (Perry 6 cited Field, 2008:82) which describes a lack of relationship networks, is extended to include digital networks.

Cultural Capital

Cultural capital is the stock of taste in clothing, food, décor, leisure pursuits, as well as the possession of certain values and competencies, which when possessed, can create economic capital (Bourdieu, 1986; Waight, 2015) generating advantages in employment and in societal recognition (Bourdieu, 1984; Savage *et al.*, 2015). It can be used to maintain one's social position, or, ensure a distance is kept (Bourdieu, 1984) with working-class culture serving as 'a negative reference point' which all other cultural positions seek to avoid (Ibid.:57). Furthermore, it is very difficult to authentically change one's level of cultural capital because it has identifiable markers which are embodied such as speech, demeanour, mannerisms and appearance (Bourdieu, 1986). They can also be institutionalised (Ibid.) through academic credentials (Bourdieu, 1984; Bennet *et al.*, 2009) whereby low cultural capital means having no qualification higher than GCSE or equivalent and high meaning degree level and above (Warde *et al.*, 2007). Cultural capital is formed as a result of high levels of economic and social capital as they are the conditions under which cultural capital is generated (Bourdieu, 1984; Reay, 1998).

Cultural capital is also understood by Bourdieu to be the stock of knowledge of 'legitimate' art forms in art and music such as opera, classical music, fine art etc., but the components required for cultural capital in today's British society have changed and represent knowledge gained from a variety of fields (Savage *et al.*, 2015). 'Legitimate' is now defined as 'approved, respected and worthy' (Ibid.:94) but it remains a proxy for economic capital (Bourdieu, 1984). As such, lower income social groups are unlikely to have a great stock of this but may still have identifiable cultural capital which confers social advantages within their own communities, such as the expensive branded trainers and coats mentioned above. This is known as subcultural capital and is an alternative way of reinterpreting the world by people who have a 'subordinate status' in 'less privileged domains' and is used to claim status, distinctiveness and a form of authority (Thornton, 1995). However, it is not known whether these result in economic capital in the same way that cultural capital does in a Bordieuan sense, where the cultural capital around education in a family optimises a child's likelihood of a successful educational outcome which leads to a higher paid occupational career (Bourdieu, 1984; Thornton, 1995; Longhurst and Savage, 1996; Reay, 1998; Bennett *et al* 2009). However, where there are low stocks of 'legitimate' cultural capital, possession of a local sort of cultural capital may help to avoid social isolation and inculcate acceptance into the local community and thus, be a contributing factor of social capital (Bennett *et al* 2009).

Symbolic Capital

Symbolic capital is the level of status accorded to you in society (Coutant and Eideliman, 2013) and concerns the self-esteem, prestige and distinction that is accrued by being in a particular social position which occurs from the combination of cultural, economic and social capital (Bourdieu, 1984; Reay, 1998; Feldman *et al*, 2015) when it is recognised as legitimate by others (Bourdieu, 1986). It has the effect of influencing how you are perceived by others which is a source of security and certainty (Bourdieu, 2000 cited Feldman *et al.* 2015). It can be gained through the purchase of specific consumer goods, which 'derive their social value from the social use that is made of them' (Bourdieu, 1984:21).

Symbolic Violence

Associated with symbolic capital is symbolic violence. This is created when powerful people with high levels of symbolic capital perpetuate and maintain access to sources of capital for themselves and restrict it for others who then cannot move from their limited social position. Those with high and protected levels of symbolic capital 'condemn' those who do not have the right forms of social, economic and cultural capital to 'ridicule, indignity, shame, [and] silence' (Bourdieu, 1986:511; see also Tyler, 2013). This results in a strong line of demarcation between the more and less powerful. It creates an 'us' and 'them' positioning where the economically weaker groups are treated as inferior (Lister, 2017). This social distance is established and maintained by the processes of symbolic violence such as othering (Ibid.).

As alluded to earlier in the chapter under *Impacts of Poverty*, one mechanism by which this occurs is through the undeserving poor narrative in the media (Sennet and Cobb, [1972] 1993; Townsend, 1979; Willis, 1979; Jones, [2011] 2016; Tyler, 2013; Pemberton *et al.*, 2014; Savage *et al.*, 2015). For example, televised and tabloid representation of benefit recipients symbolically violates them (Bourdieu, 2010) by assaulting their identity and status, resulting in feelings of shame and stigma for people on low incomes (Standing, 2011; Jones, [2011] 2016; Skeggs, 2012; Pemberton, *et al.*, 2013), and their marginalisation by all other social groups (Shildrick *et al.*, 2012). The messages from the televised and tabloid representations can be 'internalised resulting in a variety of emotional injuries' (Pemberton *et al.,* 2014; Sparkes, 2019). Over time, the continued negative association with being working class increases and creates negative capital which becomes 'a disinvestment' or 'depreciation of value' (Skeggs, 2012:280). However, there are limitations to this work based on the use of the term 'working class' which as explained above (see *The Precariat)*, has changed in meaning since the 1970s and is open to a wide scope of interpretation and might not be subject to emotional injuries and stigmatisation. Furthermore, it ignores the pride and dignity that some self-declared members of the 'working class' feel in their social position (Lamont, 2002).

<u>Consumption and Capital</u>

Symbolic capital embodies the tension between 'being and seeming' (Bourdieu, 1984:252). One expression of this can be where a person might purchase and use a good which is more expensive than they can afford, thus appearing wealthier than they truly are (Veblen [1899] 1994; Bourdieu, 1984). In this way, they appropriate a higher social position to gain the approval of others (Bourdieu, 1984). This can produce cultural and symbolic capital. One of the reasons consumption is important as a marker of symbolic capital is because of the cultural importance certain goods have been given and how these are used to demonstrate wealth (whether real or appropriated), which becomes an investment into a person's social capital (Bourdieu, 1984).

However, Bourdieu ascribes this form of appropriation as being a middle-class concern and that working-class people are not concerned with how others view them (Bourdieu, 1984:253. See also Warde, 1994). But as described earlier in this chapter, this is in sharp contention with Smith ([1759] 2002) and others, like Giddens, (1991) who argue that care for how one is perceived is vital for the survival for all people, and that the misrepresentation of people on low incomes can have negative emotional consequences which they might seek to address through the purchase of symbolic capital by purchasing cultural goods. There is research to suggest that people use the consumption of luxury or high-status goods to make themselves feel better (Craine, 1993), to repair lowered-self-esteem, or to avoid further feelings of stigma (Rucker and Galinsky, 2009; Sivanathan and Pettit, 2010; Mckenzie, 2015).

Luxury items are considered to be 'cultural objects' which are appropriated by those outside of the dominant class and by those who are dominated to give the appearance of the economic and cultural worth the object embodies. Examples of this are the purchase of certain branded goods such as Nike trainers, expensive electronics (Craine, 1993). Moncler coats are another example and they have been banned from a state school in a low-income area in Liverpool in a bid to stop poverty shaming as they cost between £650 and £1,000 (BBC News, 2018).

These sorts of goods can have symbolic significance for people on low incomes. Their importance began in the late seventies and started in the football terraces and council estates of the big cities when owning such goods such as branded trainers was a sign of elevated status. This was because their high price was significantly out of the spending power for the majority of people on low incomes. Therefore, they demonstrated 'subcultural success' (Craine, 1993:670) which increased the social status of the person possessing them and granted social capital and entry into the popular groups (Ibid.). It can be seen that the effect of consumption, or having money to participate in cultural activities increases one's cultural confidence, cultural assertiveness and cultural capital (Savage *et al*., 2015), and the ideal opportunity for this level of consumption is at Christmas, as discussed above, which is used as an 'occasion for the accumulation of personal symbolic capital' (Werbner 1996:152).

Consumption and Credit Use

As described above, consumption can be used to both address and cause the symbolic injury which arises from low-income and negative levels of social, cultural and symbolic capital (Bourdieu, 1984:163; Townsend, 1979; Pemberton *et al.*, 2014).

It was established above that people need credit to meet their social and cultural objectives through consumption, and how people buy their goods (using department stores, or cheap shops) are a product of the tacit learning in the home which occurs through observation (Bourdieu, 1984). Equally, the way of paying for it, using working class forms of credit such as doorstep lending, rent to own stores, and other forms of short-term high cost credit (see Chapter 2 for further details) might equally represent a cultural practice borne out of exposure to the social fields within which an individual is raised (Bourdieu, 1984). But credit, like economic goods, is embedded with social relations and assessments (Ibid.) which can lead to financial exclusion from mainstream sources of credit, leaving only more expensive sub-prime forms of credit available for people on low incomes to address their consumption needs. Either to address the cultural violence imposed on them through the struggle to achieve social legitimacy (Ibid.), or, to simply engage in the joy of consumption for consumption's sake which is reasonable within a consumerist society (Ross, 2013).[15]

Benefits of Credit for People on Low Incomes

Sub-prime credit is expensive, and Smith stated that the cost of wanting to be considered rich will make a person poorer than had they not tried to do this ([1759] 2002). This suggests that loan repayments will make people financially poorer in the long run. This remains a popular point of view which contributes to the contemporary debate behind the elimination of high-cost credit. Smith indicates that people will do anything in order to reduce the emotional pain of being socially excluded, and Bourdieu believes that it is essential to enable people to meet consumption requirements which

[15] See Ross, 2013 - Bread and Roses: Women Workers and the Struggle for Dignity and Respect- for the example of the 1912 textile worker's strike for increased wages who carried slogans saying, "We want bread and roses too!"

address class inequalities (Bourdieu, 1984). Furthermore, Weber says that the benefits derived from the use of a loan exceeds its cost (1978). Despite hints in sociological thought and understanding around the use of credit for people on low incomes (Smith, ([1759] 2002; Veblen [1899] 1994, Bourdieu, 1984), it remains a vastly under-researched area in contemporary sociology (Sparkes, 2019). Sparkes has addressed this to a degree but considers mainly the benefits of credit for people in middle to upper class income groups. That notwithstanding, he identifies several valuable benefits to using credit which could also be relevant to people on low incomes.

Firstly, credit increases levels of economic capital (although I would argue that this is on a temporary basis), which facilitates participation in culturally shared events and enables people to purchase the latest cultural commodity, thus paving the way for an increase in social capital (Sparkes, 2019). This echoes Bourdieu (1984:163) and Weber (1978) who state that a benefit of using credit is the immediate use of a good when it still has cultural value to be derived from it, and that buying that good when it is reduced in price does not carry the ability to generate the desired level of cultural, social and symbolic value (Bourdieu 1984). Credit also minimises the appearance of differences in economic and cultural capital between individuals which potentially reduces judgement from others (Sparkes, 2019). It also allows people to maintain their current class level of consumption, and not incur the pain, as Veblen would concur, of falling below it by consuming goods and possessions, as well as engaging in cultural practices such as eating out and holidays. These are observable signs which raise your relative social position and how others rank you socially, consequently improving your sense of self-esteem and perception of social position (Ibid.).

These benefits can have a positive emotional impact as they can improve anxiety and reduce feelings of deficit (Sparkes, 2019), but Sparkes asserts that these benefits do not last because the debt required to obtain them often becomes unsustainable. This is in accord with Smith's assertion mentioned above, that attempting to look richer will make you poorer in the long run. This is more likely if a change in circumstances occurs, leading to over indebtedness and financial hardship, and there is research to suggest that this can be problematic for people on low incomes who frequently move between work and benefits (Townsend, 1979; Dearden *et al.*, 2010; Shildrick *et al.*, 2012).

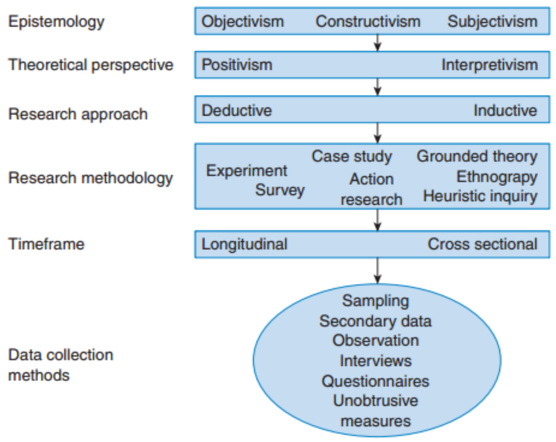
This literature review has pointed to the key concepts which help orient the reader toward the circumstances and emotional milieu of people on low incomes which may be drivers of credit. There is a paucity of evidence to explain why people on low incomes use HCSTC (European Commission, 2008; Lenton and Mosley, 2012; Sparkes, 2019) even though according to the FCA, demand continues to increase (FCA, 2017). There is some evidence that there are positive emotional benefits to using credit for consumption use in middle to upper class groups, but that these are short lived (Sparkes, 2019). To date I have not found literature which addresses responsible high cost credit use by low income families in the UK, which is the aim of this study. Rather than attempt to create a hypothesis to test, I shall be using an inductive bottom up approach looking at the lived experience of low-income consumers of responsible high cost credit to understand why they use it and the impact, positive or negative, that it may have.

CHAPTER 4 - Research Methodology

Introduction

This qualitative study explores the phenomenon of high cost short term credit (HCSTC), used by people on low incomes in the UK. It looks specifically at that provided by a community finance development institution (CDFI), to identify key parts of the phenomenon and the relationships between them, as this is missing from the debate (European Commission, 2008) and further research is needed in this area (Lenton and Mosley, 2012). This chapter will discuss what grounded theory (GT) is, and how it was used to explore CDFI use in the UK and discusses the problem of the research question when using GT. This is followed by a description of the research process using Grey's (2009) framework as shown in Figure 2 below, to explain the epistemological and ontological positions, and the theoretical perspective of the research. It will also be used to frame the discussion of the research approach, research methodology, time frame and data collection methods employed. A discussion on my ethical stance and the strengths and limitations of the research design follow this.

Figure 2: The Elements of the Research Process



(Source: adapted from Saunders *et al*., 2007 cited Grey, 2009:33)

Aim and Objectives

The aim of this study is to 'explore and clarify the topic under discussion, to clarify and expand understanding' (Acker *et al.*, 1991:140 cited May, 2011:59) of HCSTC use to generate a theoretical explanation of the phenomenon. The aim is achieved by using the iterative process of data collection, analysis, and coding according to procedures specified in *The Discovery of Grounded Theory* (Glaser and Strauss, 2006 [1967]) which shall now be referred to as *Discovery*. This is a good method to use when, as in this case, there is a lack of research in the field which does not generate a testable hypothesis, and when, also in this case, current research designs are flawed due to researcher bias (Glaser and Strauss, 2006 [1967]; Bateman, 2010).

The Problem of the Research Question

A broad aim, was used, as opposed to a hypothesis, in order to prevent extant theories directing the research question 'in advance of its emergence'. Having a hypothesis is argued to force the data (Glaser and Strauss, 2006 [1967]; Glaser, 1978; Glaser, 1992; Glaser, 1998). I developed some insight into the problem during the first year of the Ph.D. by using personal thoughts, ideas, and prior research as insight to generate crude theories which are useful alongside data collection if they prove to 'fit', and 'work' (Glaser and Strauss, 2006 [1967]; Glaser, 1992). This is acceptable within Grounded Theory (Glaser and Strauss, 2006 [1967]; Glaser, 1992). But I stopped short of a testable theory, and the process of constant comparative analysis ensured that any ideas which did not 'fit' were abandoned in favour of codes which emerged from the data, more about which will be described later on in this chapter.

Philosophical Stance

The idea that borrowing at high cost is illogical when you have very little money, as described in the introduction, may be a 'middle class', 'educated' or 'religious' position which low-income borrowers may not share (Lewis, 1969). The criticism of a service that is in demand demonstrates that it is not understood by those who see but are not involved. My philosophical stance is that only by examining the underlying motivation for the behaviour are we able to understand it (Ainslie, 2006; Campbell *et al.*, 2011; Waupsh, 2017), and that the underlying motivation can only be understood by speaking to those who experience the phenomenon (Sennett, 1998).

I was interested in discovering a truthful understanding of HCSTC use by low-income individuals. Their truth is subjective, dynamic, constructed in the mind, and reflects their past and current socioeconomic circumstances. Using GT with its process of iterative data collection and inherent constant comparative analysis allowed me to stay close to the voices of the participants without altering the data through interpretation or inference. This enabled me to remain faithful to what the participant did and did not say in the pursuit of 'truth'.

It is argued that the 'pursuit of truth' cannot be truly neutral because the researcher has a vested interested in the subject (Bourdieu 1993:11 cited May 2011:50). May (2011) counters this argument by asserting that a value judgement affects the selection of a research problem but does not have to negate the ability of the social scientist to produce work that is objective, which is a position I agree with.

Ontology

Ontology is the study of being and the nature of existence, it is the exploration of what is (Grey, 2009). Grey presents two ontologies, the ontology of becoming in a 'changing and emergent world' (Ibid.:17), and that of being in a reality that is 'permanent and unchanging'.

The ontological position of this research sits within the ontology of becoming. Social actors live in a world that constantly changes. People modify their attitudes and perceptions towards the meaning of existence by interacting with other people, institutions, government policies and general societal attitudes and expectations. I agree with this ontology because people's lives are not permanent and unchanging, and we all have to adapt to these changing circumstances.

Epistemology

Epistemology is the study of what it means to know truth (knowledge) and what constitutes acceptable knowledge. The two opposing epistemological positions are objectivism and subjectivism. Objectivism is the understanding that there is one objective truth which is unaffected by social actors. For example, the action of a cell in the presence of a substance either does or does not occur. Subjectivism is where reality and its expression are subject to the interaction between the participant and various social actors. This creates a range of perspectives which are subjective and based on individual perceptions and understandings of a (usually social) phenomenon.

This research is focussed on understanding a social process experienced by human beings whose own beliefs and understandings interact with other social actors and institutions. The knowledge generated from participants does not represent a singular truth which is unchangeable regardless of context and time. Instead, it is highly responsive to interactions with other social actors, employment conditions, general socio-economic conditions and the interaction with institutions. This research has a subjective epistemology which links to the ontology of becoming, as people dynamically interpret their conditions with respect to their experience and understanding of life within those conditions.

Theoretical Perspective/Methodology

The theoretical perspective, or research method, considers how a researcher seeks to understand the research problem and reflects the epistemological and ontological position of the research which guides the subsequent research approach, methodology and data collection methods. Interpretivism is the appropriate theoretical perspective for this research considering its subjective epistemology and 'becoming' ontological foundation.

The interpretivist perspective is one where the researcher acknowledges that data is created by collating what participants say about their lives and that they interpret this in light of their own beliefs, attitudes and principles. If there are common patterns in a particular social group, then that is a common reality. If that reality is shared across contexts and across time, then it could be said to be a truth.

The researcher can still adopt an 'objective' approach to the collection and analysis of the data within the interpretivist perspective (May, 2011). The meaning reproduced or constructed by the researcher 'is considered the original meaning of the action' which should be an 'accurate, correct, valid representation of that action and its meaning' (Denzin and Lincoln, 2000:193-194). However, to avoid misinterpretation, researchers are enjoined to ‘employ some kind of method that allows them to step outside of their historical frames of reference’ in order to be able to claim a ‘purely theoretical attitude as observers’ (Outhwaite, 1975 cited Denzin and Lincoln, 2000:193). Grounded Theory is an appropriate method to use with an interpretivist theoretical perspective as it helps to maintain a disinterested attitude and a faithfulness towards a reproduction of meaning. This is a feature which is heavily emphasised in *Discovery* (Glaser and Strauss, 1967).

Research Approach

The two research approaches are deductive and inductive. The deductive approach is aligned to a positivist perspective with an objective epistemology and uses data to verify hypotheses. The inductive approach is one in which ‘the researcher moves towards discovering a binding principle, taking care not to jump to hasty **inferences** or conclusions on the basis of the data’ (Grey, 2000:15 emphasis in original). Where little is known about a subject, an inductive approach helps build up knowledge and define previously unexplored principles. This research project is one such case and therefore an inductive approach was adopted.

Research Methodology

Grounded Theory

I used Glaser and Strauss's original version of grounded theory (Glaser and Strauss, 2006 [1967]) which is delineated in *The Discovery of Grounded Theory* for my research methodology. *Discovery* was born from a frustration that grand sociological theories were not empirically rooted in data and *Discovery* sought to remedy this (Gibson and Hartman, 2014). This methodology's aim is to generate theory that is rooted in data that seeks to understand the problem that is being investigated in the field. The theory is comprised of a core concern, and a core category. The core concern is the problem that participants have, and the core category is the way participants resolve their core concern (Scott, 2009).

The method is prescriptive and consists of the following iterative stages:

1. Collect Data
2. Compare Incidents
3. Write Memos
4. Integrate the Categories and their Properties
5. Delimit the Theory
6. Sort the Memos
7. Write the Theory

The following describes how the stages took place during the study. Unstructured interviews were used to collect data (1). They were audio recorded and transcribed and the transcript was immediately coded on an incident by incident basis. Each incident, which could occur in a line, phrase or paragraph of field notes, was assigned a code and all the codes were manually analysed in the search of commonalities to create emerging categories which were constantly compared with each other (2). These categories and their properties were used to identify a variable which was then theoretically sampled for in the subsequent interview to identify if it had any validity. If it was valid, I continued to research for the dimensions and properties of the concepts associated with the core category in further interviews whilst constantly comparing the incidents. If the core category was not validated, I continued to open code until another core category was found which did fit and work with the substantive data until theoretical saturation.

Memos were written throughout the process to form connections between the categories and to develop the properties of the categories. I wrote memos (3) to develop ideas about the emerging hypothesis and guide subsequent data collection. They also helped develop theoretical thinking. I continued to write memos as I integrated the categories and their properties (4) to select those which I would continue to sample for, thus delimiting the theory (5) and crystallising the categories and their properties. Whilst this is expressed in a linear fashion, it took place iteratively. Once I had achieved theoretical saturation, I sorted the memos into groups to take the fractured data and put it back together again in a coherent form (6). The sorting process helped to outline the theory, and whilst it generated more memos in the process, it is at this point that the relevant literature was integrated with the theory and it was written up within this thesis (7).

Alternative Methodologies

There are other methodologies which could have been used for this research including a number of different approaches to grounded theory, phenomenology and field diaries. In this section, I describe those different approaches with an explanation as to why I selected GT.

Phenomenology versus Grounded Theory

'Phenomenology is a form of qualitative research that focuses on the study of an individual's lived experiences within the world' (Neubauer *et al.*, 2019). It has the aim of describing what and how it was experienced based on different schools of philosophy depending on which approach of phenomenology is used (Neubauer *et al.*, 2019). There are compatibilities between grounded theory and phenomenology in that they both accept that 'any attempt to understand social reality has to be grounded in people's experiences of that social reality' (Grey, 2009:22).

Another similarity is the focus on putting preconceptions aside to allow new meanings to emerge which are 'unadulterated by our preconceptions' (Grey, 2009:22). However, the authors of GT acknowledge the impossibility of ‘bracketing’, whereby you put aside what you know. ‘No sociologist can possibly erase from his mind all the theory he knows before he begins his research’ (Glaser and Strauss, 2006 [1967]: 253). They advise that ‘the trick is to line up what one takes as theoretically possible or probably [*sic*] with what one is finding in the field’ (Ibid.:253), and to then compare what you know from theory or literature with what is being discovered in the interviews to determine if it is valid. If it is, it can be integrated into the data, if it is not, it is to be discarded. Glaser and Strauss go on to express that ‘such existing sources of insights are to be cultivated, though not at the expense of insights generated by the qualitative research, which are still closer to the data. A combination of both is definitely desirable’ (Ibid.:253). They recommend combining theoretical reading with qualitative research to produce the best results.

An example of this can be seen in the progression of conceptual ideas in my research, as I shall now describe. As per the unstructured interview style required with GT, I started each interview with an open-ended question which allowed the participant to express the key issues to me and then I probed for further information based on what they told me. When it appeared as if the interviewee had exhausted their concerns, I took five minutes at the end of early interviews to ask questions about participants’ views on television programmes about benefit recipients (poverty porn) and the impact this had on their purchasing habits. This line of questioning was generated as a result of the prior reading, company level data, ‘personal experience’ and ‘insights’ I gained prior to the research (Glaser and Straus, 2006 [1967]:292). The prior research and insight led me to believe that the pejorative display of people on benefits in this type of programming might cause participants to purchase status goods in order to repair some of that damage.

With the use of coding and constant comparative analysis, it quickly became apparent that my preliminary idea did not ‘fit’ or ‘work’ with the substantive field, and it was therefore discarded in favour of emerging categories as indicated in *Discovery* (pp.29-30).

Phenomenology and GT both have inductive research approaches, interpretivist theoretical perspectives and a subjective epistemology. But GT is favoured in this research for its acknowledgement that one cannot abandon prior knowledge, but should rigorously subject it to the analytical process of constant comparison to ascertain if it has any validity, and only that which ‘fits’ and ‘works’ with the substantive data should remain. GT was also favoured for its rigorous structure, process, and strategy which was a useful tool upon which to organise the large quantity of data that was generated. The phenomenological end point is the understanding and description of a social phenomenon (Wimpenny and Gass, 2000), and whilst both approaches are useful in fields where there has been little in-depth qualitative research, the structured format of GT, and GT’s aim to develop a theoretical explanation rather than a description is why I chose GT out of the two options.

Financial Diaries

There is an established methodology of using financial diaries in the field of poverty studies (Rutherford, 2001; Kamath and Ramanathan, 2016; Morduch and Schneider, 2017). It involves researchers meeting with families once a week over the course of a year to meticulously record their income and their expenditure. Additional interviews supplement the diaries which allow the researcher to delve more deeply into some of the emerging issues. The diaries are not written by the participants (except for Kamath and Ramanathan, 2016) but are recorded by the researchers. It is based on a list of diary entries which are followed up with structured interviews.

The benefit of this method is that it generates a highly detailed record and thus, a complete picture of the financial life of a family in one year. This illuminates the participating families' economic experience which is absent in annual accounts.

The limitations of this method are that the focus is primarily quantitative. The core information it seeks to record are the financial transactions. The consequence of this could be structural limitation to the researchers' ability to deviate from the core objective. The numbers do not demonstrate the factors involved in decision making nor the sacrifices people make. This is mitigated against by the additional interviews. But the issues that arise from the diary entries are likely to be constrained by the survey criteria and could limit the participant (Gibson, 1998).

Furthermore, there is a power imbalance between the researcher and the researched and there could be a filtering process whereby the researcher chooses which parts of the account are entered into the diary (Kamath and Ramanathan, 2016), but there is no methodological note to let the reader know by which criteria this is done. Kamath and Ramanathan recognise this and adapted their work so that the participants complete the diary entries themselves without an imposed structure, and the participants could write in any way they chose. However, the core objective is still rooted in the numbers and not the motivations of spending, which were also obtained by means of additional interviews. However, Kamath and Ramanathan are successful in getting underneath the numbers and understanding more about the motivation behind them. An additional critique of the financial diaries is that they change the behaviour of the researched. The US financial diaries researchers' regular interaction with the families impacted the choices families made, thereby altering the data. Two thirds of families said that their involvement in the project had affected some of their choices such as 'pay more attention to their finances and see things as part of a bigger picture' (Morduch and Schneider, 2017:14).

The focus of this research is to understand the underlying behaviour and motivations of why people on the lowest incomes use very high cost credit and some financial diaries do achieve this to a limited extent (Kamath and Ramanathan, 2016). But I am not as interested in quantitative flows of income and expenditure which was the key output of financial diaries. In order to realise my ambition, I chose Grounded Theory as it afforded the participants the time and freedom to express themselves in an unconstrained way. They could select for themselves which themes were important to their experience of using Moneyline. By using this method, I can theoretically sample the emerging themes once they become apparent and not before, to generate high-quality in-depth data that goes beneath surface behaviour. A critique of using this method is that it is retrospective, and memories can fade, or respondents might only tell you what they want the researcher to hear. But good probing and observation of body language was used to minimise this.

Different Forms of Grounded Theory

There are a number of forms of grounded theory which have some important differences. It is important to clarify these as different readers' experiences of GT can cause some confusion when they are presented with a piece of work that claims to be GT but does not match their understanding of it (Johnson, 2008; Nagel et al., 2015). This is likely to be because different grounded theorists have different ideas as to what the aim of GT is. Charmaz says that GT 'should be studying and conceptualising meaning' (2000 cited in Gibson and Hartman 2014:3). Strauss and Corbin argue that GT 'should be studying social phenomena' (1990 cited in Gibson and Hartman 2014:3). Glaser is quoted as saying that researchers using GT 'should look for core categories and social processes' (n.d. cited in Gibson and Hartman, 2014:3). These differences seem to create inconsistencies and can leave researchers confused (Gibson and Hartman, 2014).

The original GT (Glaser and Strauss, 1967) was written to explore the ‘logic of discovery’ or inductive research (Gibson and Hartman, 2014:6) in response to the ‘logic of justification’ (Ibid.:6) and the ongoing debate about the merits and demerits of qualitative research in the 1930’s when qualitative research was focused on validating existing qualitative based theories with quantitative surveys in a positivist manner with all the rules of evidence that accompanied it, such as ‘sampling, coding, reliability, validity, indicators, frequency distributions, conceptual formulization, hypothesis construction, and parsimonious presentation of evidence’ (Glaser and Strauss, 1967:17). There was a bias in sociology towards quantitative research methods (Dunne, C. and Üstűndağ, B.G., 2020), and *Discovery* offered guidelines for qualitative researchers to increase the ‘quality, transparency, and rigor’ of their research (Dunne, C. and Üstűndağ, B.G., 2020:250).

There are key themes present in *Discovery* (Glaser and Strauss, 1967) which can be found in earlier works exploring this debate such as *Sociologists at Work* (Hammond, 1964) where ideas such as ‘forcing’, ‘fit’, ‘theoretical sampling’ and the problem of using a premature hypothesis are found (Gibson and Hartman, 2014:7-8). The unique contribution Glaser and Straus make in *Discovery* is their emphasis on generating theory rather than hypothesis verification (Charmaz, 2006; Gibson and Hartman, 2014).

Following the publication of *Discovery*, Glaser and Strauss took the methodology in different directions (Charmaz, 2006). Glaser’s GT maintained the element of ‘discovery’ where categories emerge from data. He retains the reliance on empiricism and analyses of basic social processes (Charmaz, 2006). Strauss subsequently developed a version of GT that relied on verification which was heavily criticised by Glaser because he felt that it 'forced the data and analysis into preconceived categories' and 'contradicted the tenets of grounded theory' (Charmaz, 2006: 8).

Where Charmaz diverges from both Glaser and Strauss, is that she rejects the positivist approach of GT and looks at GT through a 'symbolic interactionist theoretical perspective' (Charmaz, 2006:10). She assumes that 'neither data nor theories are discovered' but rather, they are constructed by the researcher through their 'past and present involvements and interactions with people, perspectives and research practices' (Charmaz, 2006:10). I have some sympathy with this point of view because as a researcher, there could be an element of direction when deciding what to theoretically sample for and this could direct the data. However, when theoretical sampling is done without forcing, and in a systematic fashion, abandoning any branches of thought that do not bear fruit, then I believe that the researcher does indeed 'discover' the data and consequent theory for that branch. Another researcher might 'discover' the data from another branch. But both would be equally valid as long as the process of constant comparative analysis is used to ensure that the data is connected to the theory (Dunne, C. and Üstűndağ, B.G., 2020). But most importantly, Glaser focuses on 'fit' which he likens to 'validity' (Glaser, 1998:236). This means that the theory must fit the data, and the data must not be 'forced or selected to fit pre-conceived or pre-existent categories or discarded in favour of keeping an extant theory intact' (Glaser, 1978:4). The researcher is implored to not selectively pick data and discard other important data to make a theory fit (Glaser, 1978). In addition, Glaser recommends analysing the data line by line in order to 'ascertain what exactly the author is saying without imputing what was said, interpreting it, or reifying its meaning (Glaser, 1998:25). Due to the focus on not forcing the data, and the use of constant comparative analysis as a form of audit trail (Glaser, 1998; Dunne, C. and Üstűndağ, B.G., 2020) and line by line coding to maintain the intention of the participant's meaning, I decided to adopt a Glaserian or 'classic' form of Grounded Theory, using *Discovery* and subsequent publications by Glaser to inform my research methodology.

Sampling strategy

This is a study of customers from the largest personal-lending CDFI in the UK called Moneyline. The funding for this project came from Moneyline and the Knowledge Transfer Partnership at Salford University. Moneyline initiated the study as they wanted to understand the effect of services on their customers. The sampling strategy is aimed at capturing a diverse cross section of customers from across the North West of England, and South Wales. Moneyline sourced funding from Oak Foundation to operate lending in the Stoke-on-Trent Area. The funding is used to help pay for loan advisors, running costs and some contribution to this project. This meant that a reasonably substantive portion of customers from the area had to be included in the study as a condition of the project.[16] Fourteen of the thirty-one Moneyline participants came from Stoke on Trent. This did not appear to generate different responses with regards to the core category of *Material Insufficiency*, or in how participants resolved their main concern. The answers only differed with respect to how people felt about the visibility of borrowing from a branch, because Moneyline operate from libraries in this area, rather than being branch based.

Both the project supervisor, and staff at Moneyline agreed that currently, there is a difficulty in recruiting participants to research projects. This corresponds with the literature on research recruitment (Hansen and Pederson, 2011; Preston *et al.*,2012; Sappleton and Lourenço, 2015). Moneyline experienced this when they attempted to recruit participants for an internal company research project from their customer base. But this generated a pre-selected group of customers who were interested in participating in research activities. The limitations of sampling in this way is a reduction in size of the population who are going to be invited to participate in the interviews and the introduction of potential sample bias. I would have preferred to be given a list of all customers in a given financial year, rather than a pre-selected group of people who had agreed to be contacted for research purposes. Nonetheless, this is a sampling strategy based on convenience due to limited time and resources, which Patton (2002 cited Flick, 2009) lists as a legitimate purposeful sampling strategy. Also, Moneyline

[16] Reasonably substantive is considered to be comprised of approximately one quarter to one third of the research participants (Moneyline, 2016, personal communication, 21 July).

wanted the participants to be recruited this way to reduce multiple requests for participation in different research projects.

Communications were written in accessible language which could be easily understood by the general public so that people could make an informed decision whether to participate or not. All initial communications were written in conjunction with Moneyline to ensure that the language is appropriate to the organisation's preferred method and style of communication. Copies of the letters and email are in Appendix 1 (Consent Letter), Appendix 2, (Letter of Invitation), Appendix 3 (Information Letter), and Appendix 4 (Copy of Email). These were assessed by the university ethics committee before their use.

Participants were offered a £20 shopping voucher for each interview as a thank you for taking part. Calling it a 'thank you', 'stops the transfer from being a 'payment' and turn(s) it into a gift' (Zelizer, 2017). If they withdrew from the research study, they were allowed to keep the money. This was clearly communicated to them verbally, and also in a consent form which they were asked to sign. The consent form was also cleared by the university ethics committee before use.

Data Collection Methods and Secondary Data

Primary data has been collected from 31 in-depth interviews and Glaser and Strauss advocate the use of library materials as sources of both primary and secondary data

(2006 [1967]). I have compared literature with the field notes, as recommended in *Discovery*, to 'illuminate' the substantive theories based on the field data (2006 [1967]:54). Glaser and Strauss remind researchers of the value of other sociologists' work, from any era. They argue that the hypotheses contained within other sociologists work may 'stimulate the researcher in his theorizing or provoke him into empirical answer' (Ibid.:173) and that publications and textbooks of writers such as Veblen can 'yield a host of categories, properties, and hypotheses' (Ibid.:174) which can then be integrated into the theory if they 'fit' and 'work' (Ibid).

I used a specific combination of an initial unstructured question, followed by probing and theoretically sampled semi-structured questions. The topics for the semi-structured interviews with subsequent participants were generated by the prior interviews with former participants in accordance with the grounded theory methodology. The probing was based on eliciting clarification or further information on issues brought up by the participant. Each first interview with a new participant began with the question "Tell me about your experience with Moneyline". This enabled me to get a sense of how the respondent perceived their use of credit and made sense of it (Duffy, *et al.,* 2004) and enabled the participant to direct the conversation towards aspects of using Moneyline that were important to them, and not what I thought important. Cohen and Crabtree explain that unstructured interviews are recommended 'for developing an understanding of an as-of-yet not fully understood or appreciated culture, experience, or setting (2006). Furthermore, Gibson's research demonstrates that participants offer more information which matters to them when using unstructured interviews compared to structured ones (1998).

This research area had little in the way of prior research (European Commission, 2008; Lenton and Mosley, 2012; Boelman *et al.*, 2016) and I did not want to structure my questions using prior theoretical understanding which Bateman says is responsible for the failure of many microfinance research studies (2010). By using a very open question, the participant was able to explain their core concerns apart from any theoretical understanding.

After the first interview took place, I started generating a list of codes which emerged from that interview. These were used in the subsequent semi-structured interviews to verify emergent themes and understand the research question more deeply (Glaser and Strauss, 2006 [1967]; Duffy, *et al.,* 2004). Without giving an exhaustive list of all the questions that emerged from one interview to the next, the following examples demonstrate how the iterative process of 'interview, coding, analysis, interview, coding, analysis, repeat' worked in practice. The very first interview was with a parent who, for the first time, had managed to buy Christmas presents for their children.

Me: "So when you were able to get them mountain bikes and iPhones, how did that make you feel?"

Jason: "I felt over the moon. I loved it man. And Christmas day when I saw their faces and what I'd got them, aww, it was amazing. I loved it. I really did, love it. … I wanted to show them that I do love them….and I want to buy them things."

I coded this as ‘expressing love through presents’, and in interview two, after asking and exploring the question “Tell me about your experience of Moneyline”, I had intended to add a question about gift giving, but I did not need to, because the issue came up spontaneously when the participant was talking about his daughter.

Simon: “I tried to make her feel like she was special, and she was wanted and everything. So I thought, right, I’m going to get her a computer. I couldn’t afford a full-sized laptop, but Argos had a pink notebook, great battery life. It would be brand new in the box. It was something horrendous like £270 with 2 years free antivirus. I amazed myself and my daughter was amazed. I had a short amount of time to save up, 8 weeks. And I saved up like crazy. It’s the only time I have ever saved up for anything. And I went out and bought it, wrapped it all up. Gave it to her, and the look on her face when she opened it. She just jumped up and down and danced around the room.”

Because I was coding for ‘expressing love through presents’ and it was only the second interview, I did not spot at that time, what this participant had said about saving, and that particular concept was not coded for then, but later, it did become a very important code as I constantly compared the data. However, I did note that this participant did not use a loan to buy the present so the concept was not really related to borrowing, but I started to become aware that the use of money by participants was not clear cut and was not always neatly put into categories such as ‘loan money for presents’, ‘benefit money for bills’, because each participant has their own value system and financial habits. But this second participant did mention the importance of the gift being brand new which reminded me that this was mentioned in interview one, so that became a new ‘in vivo’ code called ‘Brand New’.

Me: “Going back to the third loan which was Christmas presents?”
Jason: “I bought 3 mountain bikes, **brand new** from Toys r Us. 3 tablets, Samsung. **Brand new**, Argos.”

I then had the codes ‘Expressing love through presents, and ‘Brand New’ which I took into the third interview. I asked the same opening question and explored that because it was still very early in the data collection phase. I then intended to ask questions about the two codes which were established through the process of constant comparison of the first two interviews. But this participant had used the loans primarily to decorate her house to a ‘basic standard’, then to urgently buy clothes for the grandchildren who suddenly had to move in.

She went on to use a later loan for Christmas, but to purchase smaller, cheaper and ‘needed’ items for gifts rather than mountain bikes and iPhones.

Me: “I want to talk about when you did need to have a loan for Christmas, were the presents you bought big presents like iPhones and iPads?”
June: “Oh no no no, it’s things they need. Like, my daughter, I always buy her slippers, pyjamas and dressing gown. I’ll buy her some clothes, give her a £20 voucher or something. And then the grandkids. They are the ones I’ll spend the most on. I’ll probably spend about £30 - £40 on them. I’ve got 5 grandkids now, so that’s £200 straight off.”

This answer helps expand the dimensions of gift giving; how it includes small, as well as large items. The two previous participants described how they would feel ‘guilty’, ‘terrible’, ‘gutted’, if they couldn’t buy their children Christmas gifts so this became a new code to be explored.

Me:	“How would it feel if you couldn’t buy those things for them at Christmas?”
June:	“I’d feel guilty and let down. Embarrassed”
Me:	“Can you tell me a bit more about that?”
June:	“A couple of times in the past, when I was struggling myself, they needed help. And it upset me because I couldn’t help them because I was in a predicament myself. If I have it I would give it to them, but I didn't have it. I feel like I’ve let them down”.

And I continued to explore the concept of expressing love through buying presents.

Me:	“Would you say that giving presents for Christmas is your duty as a parent, or it’s an expression of love or, because you feel guilty if you can’t give them that stuff?”
June:	“That’s what I feel like, that I don't show that I do love them, or that I don't appreciate them, and they kind of look at me like, why haven’t you bought something. I can tell that they will be thinking that. That hasn’t happened, but that’s what I imagine they’d feel. That they would feel hurt. I would feel very guilty if I hadn’t bought presents because it’s my way of saying “I still love you”, if you know what I mean, it keeps us linked.”

The concept of negative emotions surrounding the inability to buy presents occurred naturally in the conversation with Jason in interview 1 because he was previously so elated that he managed to provide a good Christmas for the first time in his life.

Me:	“Have you been able to buy them stuff like that before?”
Jason:	“No”
Me:	“How did that make you feel when you couldn’t?”
Jason:	“Gutted. Moneyline for me is like a friend, because they are there for you when you need them. (He gets teary) I do cry, I cry a lot. I get low, I get gutted. I really hate it when I can’t get them things.”

This was coded for and became a concept to explore in subsequent interviews and as the examples above demonstrate, gathering data and formulating questions is an iterative process of constant comparison where one interview informs the question asked in subsequent interviews. Also, things participants say will retrospectively trigger a reminder of something from a previous interview which you then code for and theoretically sample in the next interview.

Even though, as described in the example above, there is a manual process of active coding and analysis, there is also a reflexive process which occurs unceasingly when not working on the research project. Until I identified a straightforward and consistent pattern occurring in the data, my mind continually tried to make sense of the interviews as a complete set to resolve the main concern of the participants and find a core category among the disparate experiences. It was an exhausting mental process that I could not switch off. It felt like my brain was constantly running background analytical software whilst I was going about my business. Glaser calls this 'preconscious processing' (1998). An Olympus Dictaphone app on my phone became a very useful tool with which to store the generation of ideas which occurred spontaneously until I was ready to use them.

Data Analysis

The procedure in grounded theory is to code and analyse field data before collecting new data. Codes, or categories which appear with more frequency are said to 'fit' the substantive field, and they are used as the basis to theoretically sample the next interview. The process involved transcribing the interviews (or taking field notes) and then annotating each incident of the interview with a suitable code. These codes were compared with each other and analysed after each interview and before the next to see which ones stood out as fitting the experience under study, and further interviews were theoretically sampled from the prior interview to draw out more information based on the emerging categories. This process was reiterated numerous times and the data and codes were revisited and constantly compared, also to secondary sources of data. Examples of this process are provided under the section 'Interview Process'.

Observation

In addition to interviews, I used observation to supplement verbal communication as 93 percent of communication is non-verbal (Mehrabain, 1981 cited Denham and Onwuegbuzie, 2013) and therefore represents significant data which is accepted as a good source of information which complements discourse (Denham and Onwuegbuzie, 2013:671).

Oltmann states that this form of data 'can be very rich, including dress, body language, mannerisms, and so on' (2016). The critique of using body language is that this data can be vague and misinterpreted (Burnard, 1994 cited Oltmann, 2016), however, humans are experienced in understanding body language as they use this form of non-verbal communication to read emotions in others (Turner, 2009). Nevertheless, when I conducted interviews, the observation of body language was used to 'increase understanding' (Denham and Onwuegbuzie, 2013), and to guide some of the interview, particularly regarding participants' feelings about using loans, rather than making definitive conclusions on the basis of them. I did not have any formal training on this but drew on my own observation of body language changes. For example, I used a reference point of how participants spoke and moved whilst discussing topics which did not elicit a positive or negative response. If I noticed a particular non-verbal communication was markedly outside of their normal range of behaviour, I referred it back to the participant for clarification. It was then recorded in the field notes. Because I referred it back to the participant for clarification, I avoided possible misinterpretations and used in this way, it was a very effective source of insight which I used when deciding if I needed to probe a participant for additional information.

For example, one participant would speak loudly, openly and with confidence about extremely harrowing and personal life events including abuse, prison sentences, gambling, kidnapping, gang rape, murder, sexually transmitted diseases, use of loan sharks, involvement in witness protection schemes, domestic violence, as well as illegal economic activity, but would then cover her mouth, go quiet, literally become smaller in their seat, avoid eye contact, and become vague when questioned on her loan use. An excerpt from the transcript demonstrates how the observation of chronemics (pauses, silences and hesitations in speech), kinesics (use of body posture and gestures), and paralinguistics (strength and tonal range of vocal expression) (Gorden, 1980 cited Denham and Onwuegbuzie, 2013), was used to gain clarification about this participant's attitude toward loans. This excerpt came from a highly articulate and educated individual who had previously expressed highly harrowing life events with confidence, using clear expression at full volume:

Me:	"I'm trying to understand how a lump sum would help with living expenses."
Participant:	"Errrm, well, just buying the extras that you…certainly as far as I was concerned, I didn't have a computer at the time, and so that was a (they're getting really quiet, pausing lots, mumbling a bit, covering their mouth) a major expense… Errrrm, I was shopping in XXX and I saw the shop and called in. I wasn't expecting to…because, ahhh it was a shop, it has credibility, there were people there working, and I thought, well I won't be accepted, but anyway, they did. (Went so so quiet that it was hard to hear him."

Later in the interview, I realised that her description of loan use and timelines did not match up, and that she would cover her mouth, her speech would become almost inaudible and she would visibly appear smaller in her seat whenever we got onto the topic of loans.

Me:	"Normally when I ask people what they've spent the money on, they really easily tell me, oh it was for Christmas presents, oh it was for a TV, oh it was for this, but you've been really more like, ohh, for day to day living, but then it's come out, well I bought a computer and I bought a TV, and these are all great things to buy with the money. I'm wondering why there has been a reticence about telling me what you've spent the money on."
Participant:	"I'm not sure really."
Me:	"Do you think I'm fair in my assessment?"
Participant:	"I think yea, I think there's an element of not so much fairness as observation, yea."
Me:	"You're far more comfortable talking about even very very traumatic things that have happened to you, you've very easily been able to talk to me about it. Really traumatic, about losing your business, gambling, and even about drugs. These are things that people try to hide more. Yet what you've spent your money on, it's been really hard for me to get that information from you, and I'm just wondering why?"
Participant:	"Sigh. I don't know really. I honestly don't know the answer. I don't like being in the position of having to borrow money from a money lender. So I'm not comfortable with that. No matter how whiter than white Moneyline are. It doesn't matter. You're still in a situation where you're having to borrow money. And it's not quite the same as having

a couple of million valued business and going to the bank and borrowing a couple of thousand off them to buy a new item for the business. It’s a totally different scenario. This is almost, you feel as if it’s a humiliation, but you know, that’s because I’m atypical of people that go to a moneylender. Yea.”

Me: “Sorry, I didn’t want to put you on the spot.”

Participant: “I don’t mind being put on the spot.”

However, I could not presume to be that bold with every participant. I had to make a judgment based on the quality of the interaction I was having with that person, what they were telling me, and if I felt that in-depth exploration would be acceptable to them. If I had not clarified the body language, I would have been in danger of misinterpreting it and using it erroneously as data, or risked not obtaining the highly valuable information regarding his ‘humiliation’ in using the loan. Therefore, I sought clarification of the observation if I felt it was appropriate in the knowledge that the use of non-verbal data is congruent with the use of GT (Denham and Onwuegbuzie, 2013). In some instances, it is not appropriate to probe (see the section Situated Ethics for more information). Furthermore, there were examples where I might ask a question and the interviewee is very clear that they do not wish to answer, and my position is to completely respect that and move on to another line of inquiry, and body language was useful to judge when to take a step back.

Establishing Rapport

Being a parent and having family members who have experienced similar social and economic challenges to my participants enabled me to be able to share stories which demonstrated that I understood their situation. This created empathy, trust and rapport because sharing stories is an expression of empathy which occurs in natural human interactions and reflects Oakley's (1981) 'appeal to sisterhood'. Although I would call it 'appeal to humanity' as the process was as relevant for male, as well as female participants. Furthermore, Stuhlmiller (2001:67 cited Wilkinson 2015:120) states that sharing personal experiences is a tool used to encourage discussion of their experience rather than my own and may be necessary to 'get the story'. England (1994:249 cited Wilkinson 2015:120) describes fieldwork as 'personal' and that the researcher cannot have a professional and a personal face; a position I agree with because it would appear disingenuous which could limit the researcher's ability to be perceived as credible and trustworthy.

Acker stated that, 'the research process should become 'a dialogue between the researcher and researched' (Acker *et al.* 1991:140 cited May, 2011:59). One participant showed me around their kitchen with an industrial sized freezer full of meat, a larder full of toilet paper, and 11,000 tea bags for a family of three where only one person drinks tea. The following excerpt demonstrates how I referenced personal experience:

Barbara:	"The last count, we had 11,000 tea bags in the house, and she's the only one that drinks tea."
Me:	"My relative is like this. They've got 3 full sized fridges. They would have envy about your freezer. So why did you feel the need to have an industrial freezer?"
Barbara:	"Well, I've always got something in then haven't I? Or if somebody rings up and says, right we're coming down, you know, I'll just get a piece of beef out and put it in the oven, or a great big chicken or something."
Me:	"But why so much, because if somebody came round, and you had a standard freezer, and you used it up you could just replace it. So why do you feel the need to have so much of it?"

Barbara:	"It works so much cheaper. The big packs of bacon, there's about 4lb in a pack, and I get two packs of that for a fiver. So, it pays you. It's frozen, so you've always got. If there's one week and all your bills come in, or that month you don't want to shop, then I don't need to. I just leave my pension in the bank and go to the freezer and the cupboards."
Me:	"My relative didn't have a lot to eat as a kid"
Barbara:	"Yea, we were like that. I was born in the war, but my mother, oh she was the most hateful woman on God's earth she was. She never fed us properly, and even after the war she didn't. We'd have…..she's horrible."

I used the experience of a relative to gather insight, through dialogue, to understand and explore the participant's motivations rather than assume that they are the same.

I use these examples to demonstrate practices in the research process that are often left out of the written account of the field work. Blackman calls them the 'hidden ethnography' (2007) which they advocate researchers need to write about more to increase academic insight (Lee-Treweek and Linkogle, 2000, cited by Blackman, 2007).

Number of Participants, Interview Schedule and Timeline

I conducted 31 in-depth interviews between September 2017 and February 2018 and there is a question as to whether this constitutes enough instances to create acceptable knowledge. But this question is subject to a wide variety of non-definitive answers (Baker and Edwards, 2012). From a grounded theory perspective Glaser and Strauss state that 'You do not need many cases. A single case is sufficient to generate a theory, with a few more cases to confirm it' (2006 [1967]:30). This is because the aim is to generate a theory, which further research can attempt to verify. The idea of large amounts of data being necessary to statistically validate findings comes from the natural science paradigm. This idea continues to haunt qualitative researchers even though we are not seeking statistical validity.

Grounded Theory uses theoretical saturation to determine when enough interviews have been conducted and I did reach theoretical saturation within the funding and time constraints of this research project.

<u>Response Rates and Interview Scheduling</u>

The interviews were arranged by sending emails to customers with an email record and letters to those without one in order to reduce postage costs. People were invited to reply directly to the researcher to keep the identity of participants confidential from Moneyline.

Letters sent by post had a much higher response rate (8 percent) than letters sent via email (1.4 and 2 percent). This confirms the generally low response rate to email invitations (Sappleton and Lourenço, 2015) which occurs because people now have 'email overload' and ignore irrelevant emails. The postal invitations may have had a higher response rate because people receive so few letters and these were sent to Moneyline customers on paper that was headed with Moneyline and Salford University logos which lent an air of legitimacy which emails can lack. However, because

Moneyline have a large customer base, a small percentage of a large customer base still generated sufficient replies and was more cost effective overall.

Table 1: Response Rates of Participants

Date	Action	Follow-Up	Replies	Participation Rate
18/09/2017	249 customers with an email record emailed	Repeated 17/10/2017	5	2%
18/09/2017	Salford University letters sent to 62 customers without an email record	None	5	8%
01/11/2017	Moneyline letter of introduction emailed to 282 customers with email record	None	4	1.4%

61 percent of the interviews took place in respondent's homes with the remainder taking place in coffee shops and libraries. The interviews were recorded using an Olympus Dictation App on an iPhone 5. Each interview lasted between 60 and 90 minutes and was subsequently transcribed by me onto a word document formatted with space to conduct coding, as shown below, together with any observational data.

Table 2: Sample of Transcript Format

<table>
<tr><td colspan="2">Interview Number

Name of Area

Date Interview took place

Young mum with three children, newborn, a 5-year-old and a 9 year old.

House quite cold, poor state of repair, a big screen TV but an old tube type that she got from Facebook second hand. Very eloquent and had a clear understanding of how Moneyline has impacted her.</td></tr>
<tr><td>Transcription Data

Tell me about your experience with Moneyline.

I saw it in the town, and I thought, ah I could do with a loan just because it was coming up to Christmas time.</td><td>Codes

Unplanned

application

Christmas</td></tr>
</table>

Participants

This thesis would not have been possible without the participants who were so open and willing to disclose very private matters to do with credit, debt, benefits, and very confidential matters relating to their private lives and how this relates to their credit use. I am very grateful to them for their participation.

The following is a table which introduces them and provides a bit of background information about their lives so that the reader can get an insight into their lives.

Table 3: Participant Information

Pseudonym	Gender	Family Status	Income	Brief Description
Jason	Male	Single father of five children	Employment and Income Support Allowance.	Jason is in his late thirties and has lots of friends in the house who come and go and talks about the value of community. He has a personality disorder and is currently not working. He worked from the age of 17 until he was 29 and then had to stop because of mental health issues. He becomes very emotional when he thinks about what Moneyline have done for him as he was never able to buy his children Christmas presents before. He is very angry at the cost of subprime credit and the way he was treated by payday and doorstep lenders. Three white goods are broken and the house is in some state of disrepair.
Mark	Male	Lives on his own and has an adult daughter he rarely sees	Unemploymen t benefit	Mark is in his early fifties and is very eloquent and reflective. This is the first time he has used Moneyline which he did to get his goods back from Cash Converters[17]. He busks when his amp is not in Cash Converters and frequently buys second hand mobile telephones from them. He has been on unemployment benefit for a very long time. He recently had his teeth fixed and thing this will help get

[17] Cash Converters is a high street pawnbroker which now also provides payday loans.

				employment. He worked in a hotel and then in computers in his teens, then has had some part-time sales jobs on and off.
June	Female	Lives with her teenage daughter and adult son and partner	Works as a cleaner and in a shop at the weekends. Her son gives her half the rent money.	June is in her 50's and home is very important to June, and most of her loans are to improve the house as well as get Christmas presents. She has many grandchildren so she does not buy extravagant presents. Things like pyjamas and vouchers for shops.
Paul	Male	Lives on his own, recently split up with a long-term partner	Employment Support	Paul is in his 50's and he suffers from alcoholism and is currently in recovery. He is struggling to get work because of his age. His house is immaculate as he has excellent decorating skills. He mainly borrows money to get materials to decorate his house like paint and carpets. He used to be a builder's labourer.
Meghan	Female	Single mum with two young children	On benefits but did not specify which ones.	Meghan is in her early twenties and lives in a fairly run-down terraced house in a bad state of repair. She is very careful with her money and has many money management strategies. Waiting for the children to get a bit older before going back to work.
Barbara	Female	Married and lives with husband and one of her five adult children	Disability Benefit with her husband getting carers allowance.	Barbara did not specify her age but I guess she is in her early sixties. She has worked in many roles: reupholstering prams, copy typist, driving artic lorries, hospital work. Worked until 1992 when an accident with a patient put her in a coma

				and gave her epileptic fits. She now has cancer. Her husband was working until he was 55 but he was then made redundant. Tried to retrain on computers but did not get on very well. She borrows money from Moneyline to put it in the bank in case anything happens to her.
Amanda	Female	Lives with her partner and has a toddler and an 11-year-old	In and out of work and benefits.	Amanda is in her early thirties. She has had 13 loans with Moneyline. She started off using them for White goods and now uses them for Christmas. She has had many jobs such as transport co-ordinating, recruitment consulting, payroll, accounting, cleaning – all agency work and never turned into something permanent. Currently not working.
Donna	Female	Lives with her partner. I do not know if she has children	In and out of work and benefits but has a partner who is working	Donna is in her early fifties and has been using Moneyline for 5 – 6 years. She lives in a warm and cosy house which is a quite large semi-detached housing association house. She was working until 2001 when she got bladder and kidney cancer. She has been on benefits ever since.
Niki	Female	Married and lives with her husband and 3 children	Husband working and the family receive working tax credits	Niki is in her 30's and her first loan with Moneyline was in 2010. She uses the loans for a variety of reasons including white goods, weddings, deposit for a house, Christmas.
Karen	Female	Married with 6 children	Karen has been on benefits since	Karen lives in a nicely decorated relatively large semi-detached house. She

			she was 19 and her wife works full time	borrows for Christmas and holidays, but her last loan was large and she is struggling to repay because her child tax credit has stopped. She is reluctant to get in touch with Moneyline because she doesn't not want to lose access to credit.
Hannah	Female	Single mum with three children under 9	Unspecified benefits	Hannah is very eloquent and has a very clear understanding of how Moneyline has helped her. Her house is quite cold and a bit shabby. She borrows the money for Christmas and holidays. She is very clever; she uses the loans to put down deposits in shops where she can then get interest free credit on the balance. She would move into her parents' home over Christmas in order to be able to save up money to buy her children presents. Since using Moneyline, she is proud to say that she doesn't have to do that anymore.
Dave	Male	Married and lives with his partner, no children	Pension	Dave is a pensioner who went to prison and lost everything. He credits everything he now has to Moneyline and he uses loans to buy furniture and make the house nice. He worked all his life in an electricity company until he went to prison. He came out in 2006 but had to go on disability benefit due to an old work injury. Due to his record, he has never been able to get work since.

Margaret	Female	Widower	Pension	Margaret is a pensioner who lost her husband last year. She lives on her own and borrowed money mainly to take her husband on holiday when he was ill with cancer and to buy what she needed to make him comfortable. Her husband worked all his life until he got ill. And she worked all her life until she had an accident at work and could no longer work. She then was on Disability Living Allowance
Sarah	Female	Single mum with a 3-year-old	Unspecified benefits, probably Disability Living Allowance	Sarah worked all her life until she got diagnosed with epilepsy. She did not give her age but I estimate her to be in her 30’s. She used to work in care homes but has also worked in factories, in catering, has made things for the military, she has done lots of jobs. But now she can’t work because of her disability.
Donald	Male	Lives alone	Sickness benefits	Donald is in his late 50’s. He became disabled over 10 years ago and lives in a very small housing association flat. The house is clean but cluttered. The house is very hot which is deliberate to ease his osteoporosis. He borrows money to decorate his flat and buy some items for himself
Danielle	Female	Single mum with two children	Works 18 hours a week and receives working tax credits	Danielle is in her 30s. She lives in a housing association house that is nicely decorated, tidy and warm. She doesn’t make a bit fuss of Christmas and uses the loans to decorate her house and buy carpets.

Leslie	Female	Married to Mark and has one child	Unspecified benefits	Leslie is a full-time carer for her son who has autism. They have three children who come to visit every other weekend from her husband's previous relationship. She uses loans for Christmas but is currently on a repayment plan because she cannot afford to repay a large loan she took out. The house is nicely decorated and furnished.
Mark	Male	Married to Leslie and has one child with Leslie and three children from a previous relationship	Unspecified benefits	Mark used to do building work but their son has so many hospital appointments that he doesn't work now.
Douglas	Male	Lives on his own	Did not disclose	Douglas is in his early seventies and is studying psychology. He used to be a business owner and quite wealthy but lost everything due to alcoholism. Highly eloquent and reflective. Used to be married but is now divorced and he has grown up children. Aiming to work in the university when he finishes his studies.
Alicia	Female	Single mother of three children under 9	Unspecified benefits	Alicia is bubbly, chatty and friendly, and is passionate about sales. She used to own her own business but very serious life events led to a breakdown and she lost her business and this led to poverty. She was in an abusive relationship where her ex was a gambler and under the threat of violence she would have to give him

				the money from her business for gambling, otherwise he would beat her. She often didn't have money even for milk for her babies and would have to use the Pawn shop. She wants to have a job and earn more money to be comfortable, which is why she is volunteering to improve her CV.
Courtney	Female	Single mother with four children	Receiving disability living allowance, carers allowance, Income support, Child tax, Child benefit.	Courtney started to use Moneyline 3-4 years ago and she uses them for Christmas presents and for a county court judgement. She was not very articulate and said she knew what she wanted to say but couldn't get the words out.
Katherine	Female	Lives with her boyfriend	Unspecified benefits but is likely to include carer's allowance	Katherine was a carer to her boyfriend who has mental health difficulties, but he has recently been put into an institution so she is looking for work and has some job interviews lined up. She grew up in a wealthy family and went to a private school. She ran her own hotel before becoming a carer.
Wayne	Male	Single and shares his house with a flatmate	Employment Support	Wayne suffers from depression and has blackouts which makes working quite difficult. He is currently unemployed and has recently been diagnosed with diabetes. He used to have a permanent full-time job in a slaughterhouse, but his mother died when he was in his late twenties and he found it very hard to cope and lost his job. He has had

				8 or 9 temporary jobs but despite promises, they never seem to become permanent. He said that his brother has had similar job experiences. He has borrowed money for unexpected household bills and holidays.
David	Male	Single and lives on his own	In and out of work and benefits	David used to be homeless and now lives in a small flat. He has accepted life on a low income and seems content. He has outside interests, a girlfriend, friends and is very active in the community. He runs three projects for the homeless and we joke that he has no time for paid employment. He will only work if it is economically viable. He was a catering assistant for 10 years but his youngest child had a bad heart, so he needed to take increasing amounts of time off which led to him losing the job. He won't sign a zero-hour contract.
Christine	Female	Single mum of a 4-year-old child	Disability Living allowance	Lives in social housing in a new build development. She has been using Moneyline for the last 3 years. She did work but gave it up just before Christmas as she was having problems with the father of her child. She will go back to work when her child starts school. She says she is financially no better off not working. She borrows money for Christmas, holidays and to improve her home. She has epilepsy.

Laura	Female	Lives with her wife and teenage son	Works 44 hours a week as a carer on minimum wages	Laura is overwhelmed with debt and struggling. She looks miserable about her circumstances. She lost weight using slimming world but now can't afford the classes or the fruit and vegetables she needs to eat healthily. She has had depression before and feels that she is heading back that way. Money worries are starting to cause some tension between her and her wife.
Kelly	Female	Lives with partner and four children under 13.	Partner doesn't work. They get disability living allowance, carers allowance and tax credits. Income support.	Kelly lives in an open plan house that is slightly run down but serviceable. She is an excellent budgeter and says that she uses the loans like savings, but in reverse. She uses the loans for Christmas, holiday spending money, decorating. One son has epilepsy and ADHD. When he has seizures he wets the bed so needs mattresses and new sheets and a monitor. One loan was for that.
Andrea	Female	Lives with husband and their 17-year-old and 18-year-old children	Earned income.	Andrea works in a betting shop and her husband is at college. She has been using Moneyline for 6 years. She uses the loans for Christmas, holidays, her daughter's prom.
Elizabeth	Female	Single mother of two children aged 7 and 11	Unspecified benefits	Elizabeth is in her early forties and I was very confused when I arrived at my destination to see a gorgeous house which was large and beautifully decorated. This was in fact Elizabeth's mother's house who runs two care homes.

				She stopped working when she had her first child. She was in a stable marriage and her husband was in work. He became an alcoholic and they separated and because Elizabeth has been out of work for 11 years, she is finding it very difficult to find employment. She uses the loans for Christmas presents.
Tiffany	Female	Single and lives at home with her parents	Works full time in retail	Tiffany is in her early twenties and is £6k in debt with credit cards. She uses Moneyline to go on holidays with her friends. She explains how hard it is to fit in when everybody looks so amazing on Instagram so she takes out loans every couple of months to 'better herself'.
Chris	Male	Married and lives with his wife and three sons	Works full time in the community with vulnerable adults	Chris moved from London to Wales as he could not find employment in London but is now employed full time in Wales. He is an active consumer of credit and is keen to know as much as possible about the terms of the loan. He uses loans for Christmas presents. He has started saving with Credit Union and will start to borrow from them instead.

Ethical Stance

The proposed research complied with Moneyline's requirements in order to ensure that the relationship with their customers was not damaged as a result of this research. I collaborated and worked with Moneyline to negotiate a mutually acceptable approach to ethical approval. Once we agreed, ethical approval was obtained from the University of Salford in accordance with the British Sociological Association, before any research was conducted.[18] This is in line with Salford University Ethical Approval guidelines.

The key ethical factors considered were the respondents' right to anonymity, the right to withdraw from the research at any time, that they had given informed consent to taking part, and that any mental or physical vulnerabilities were catered for in order that nobody was excluded from taking part.

Situated Ethics

The emotional component of the research process which occurs during ethics in practise, which differs from planned ethics, is often not written about (Perez, 2017). It is controversial because researchers fear a loss of legitimacy (Wilkinson, 2015). There is also a 'disciplinary requirement' and 'ethical demand that the storyteller and the narrative should be 'clean' (Blackman, 2007:700). But excluding these elements of the research account renders the process 'deceptively tidy' (Ellingson, 2006 cited Harris, 2015), so it is important to articulate an honest account of the process in order to realistically demonstrate 'how studies are carried out and the theory constructed' (Blackman, 2007:699). As such, I shall now describe the ethical considerations which

[18] See Appendix 8 for copy of the ethical approval letter

occurred in the field. For example, there were situations which were very emotional in which the participant would cry and I did question if it was unethical for participants to be put in these situations. This was a frequent occurrence for parents I interviewed who recalled not being able to buy Christmas presents for their children before using Moneyline, or, when I would discuss their social lives. I decided to stop any line of questioning that caused a parent to cry if the children were present as I felt that it was not ethical to allow parents to continue to be upset in front of their children, or to make them feel worse. I would make light-hearted comments to change the mood, made the participant laugh and move on to a less emotive question.

However, negative emotions are not necessarily to be avoided as they can have 'therapeutic effects', and make participants 'feel empowered' (Blackman, 2007: 704). With this in mind, if the participant was on their own and did not seem overly upset, depending on the context, I would empathise with them and tell them that I understood their sadness and remind them of things they had told me in the interview which were successes in their lives as the next extract indicates:

Me:	"What is it about work that makes you feel less depressed?"
Danielle:	"I think it's knowing the money is from somewhere that I know where it's coming from. It's knowing that I am paying for my rent. Knowing that I am contributing to my own self and what I brought into the world, my children. Don't get me started, for God's sake… (She's starting to cry again)."
Me:	"Ahh, you're doing great though. None of this is actually your fault. You are doing everything right."
Danielle:	"Do you think so?"
Me:	"Absolutely think so. You're working, you're raising kids, I think you're doing great."
Danielle:	"Yea, I do try."

Me:	"You know you are doing the right thing. It's not your fault wages are crap."
Danielle:	"I know."
Me:	"It's not your fault that rent is so high, electric so high, food is going through the roof. These are not things that are your fault. So don't feel depressed about things that are outside of your control."
Danielle:	"That's a good point."
Me:	"They got a good role model, I'm going to cry now, of a mum working."
Danielle:	"Oh don't."
Me:	"Bloody hell" (I'm teary and we're laughing)

This is a solid example of Oakley's (1981) 'appeal to sisterhood' (see above) whereby the researcher understands the position of the participant and shares in that lived experience. This does not detract from the collection of data, rather, it is an important piece of data with which to understand the emotions that are linked to, in this case, the 'role of a mother' and the struggle to do that effectively on a low income. Because I am a mother, I can identify with the overwhelming emotions motherhood produces and occasionally this did spill over into joining the participant in crying, a reaction that is accorded with by Skinner *et al.* (2005: 16 cited by Blackman: 704).

Not to allow myself as a researcher to do this, would be to deny my own humanity in responding appropriately to the trauma of the person with me (Stanley and Wise, 1993 cited Wilkinson, 2015). It demonstrates compassion, empathy and understanding and was not done to 'fake' a friendship (Duncombe and Jessop, 2002 cited Blackman, 2007) or to exploit the participant to deliberately generate further data. It was a 'grounded empathy' (Blackman, 2007:703) that had the side effect of building trust which may have encouraged participants to be more forthcoming in their subsequent responses (Sultana, 2007 cited Wilkinson, 2015). Wilkinson notes that experiencing negative emotions may ‘influence the researcher’s interpretation of a situation, yet this does not prevent rigorous analysis’ (Wilkinson, 2015:116) and I would argue that because GT requires immediate coding and analysis, any inaccuracies would be verified out of the resulting theory.

Limitations of Research Design

A thesis that is based on 31 in depth interviews from one institution will have systemic limitations. The findings cannot be generalised for several reasons. Firstly, the participants come from one institution in the North West of England and South Wales. Their experiences may not be the same as those from other CDFIs or commercial lenders in similar or other geographical locations. Secondly the study is limited by the small sample of Moneyline customers, the findings of which may not extend to all Moneyline customers. Thirdly, the study suffers from self-selection bias. I expected that only those people who are successfully repaying would participate, and there might be a risk of not understanding the effect of high cost credit from people who do not repay their loan. However, it was not uncommon in the findings that people found themselves unable to repay their loan at some point in the duration of the loan, and one participant had not made a repayment in three months. This became an important contributory concept in the final theory.

An additional limitation concerns the qualitative nature of the research design as there lacks a counterfactual group with which to compare in order to establish a causal relationship (Gloukoviezoff, 2016). However, in fields of an exploratory nature such as this, qualitative methods are useful for exploring what effect may occur as a result of an intervention which subsequent quantitative research can build upon.

Hussein *et al.* critique GT for being 'exhaustive', that it has a 'potential for methodological errors', that the multiple versions of GT make it difficult to use and that it has limited generalizability (2014:3). They state that it is difficult to use and suggest that a mentor is available for novice grounded theorists (Annells 1996 cited Hussein *et al.*, 2014; Glaser, 2009). These are important limitations of the method which are not to be underestimated. It does have limited generalisability as explained above. But the method is not designed to be generalisable, but instead to generate a theory rooted in data (Glaser and Strauss, 1967). It can generate a large volume of data, and when one adds desk-based research to the interview field notes it does have the potential for its analysis to be exhausting. But one does not analyse the material after the collection of all data. The process is iterative where the process of constant comparative analysis is conducted from the start of the study which makes the process easier to manage.

This notwithstanding, Glaser does appear to have a certain empathy with Hussein *et al.*, as he states that a certain amount of overwhelm, even confusion and depression is to be expected when using this method until the emergence of ideas occurs (Glaser, 2009). This is not due to the volume of data, but due to the difficult mental process of constantly comparing disparate incidents until a core category emerges.

Grounded theory dictates that you cannot know the research question fully until you enter the field and let participants tell you what the key features are and what is important to them about the phenomena. Only then can you fully frame the research question and sample with any accuracy. But it is necessary to reasonably guess the design in order to navigate PhD milestones, therefore it can be said that a limitation of this method is that it does not easily fit with the PhD process. However, it is suitable in so many other important ways which render it an acceptable choice for this research topic (see alternative methodologies), although it does mean that the writing up of the PhD has not taken place in the order of which it was conducted, which is iterative, with relevant literature being accessed after the data collection.

Strengths

The key strength of this study lies in the overwhelmingly rich, in-depth and detailed data which is based on the first-hand experience of the participants which I generated by skilfully using unstructured interviews combined with observation. Had I used a set of structured questions; it is unlikely that I would have elicited such rich data.

Grounded theory provides a systematic method of gathering and analysing the data to generate unique concepts, rather than borrowing them from extant theories. This is another huge strength. It ensures that logical conjectures and forced ideas are analysed out of the final theory. An example of this is that I had conjectured an idea that exposure to ‘poverty porn’, which is television programming that portrays benefit recipients in a pejorative light for salacious public entertainment, would negatively affect low-income audiences and affect their purchasing behaviour based on Veblen's theory of conspicuous consumption. It took seven interviews before I realised that this idea was to be discarded as the data in the field simply did not reflect my mind's *a priori* logical construction.[19]

Another strength of this study is that by using the main tenets of grounded theory, I was able to overcome the limitations of randomised controlled trials, and other studies, which are argued to generate inconsistent results because they are based on researchers' assumptions about the expected benefits of microfinance and/or high-cost credit. By inductively grounding the research in the lived experience of the service users, I have been able to explore from the source, why people on low incomes use high cost credit and qualitatively measure its effect on their lives. This has generated an important and unique contribution to knowledge.

Another strength is that this study has provided an opportunity for this demographic to tell their story, and let their voice be heard so that we can understand their experience from their point of view, when they are often absent from such accounts. It allows us to explore their underlying motives rather than assume that they are being exploited by products that are considered unsuitable by people who have no experience of the product, or of their lives.

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[19] See Appendix 6 for a detailed example of how this process worked in practice from a memo written during the analysis phase.

Summary

This thesis is based on a philosophical paradigm that is qualitative in nature. It is epistemologically subjective with an interpretive theoretical perspective. The research approach is inductive using a grounded theory methodology. I have discussed the data collection methods used in this study and how that data was coded and analysed before collecting more data in an iterative process. I have set forward my position on the validity of the data and have discussed my ethical stance, including a section on situated ethics and how I dealt with ethical dilemmas in the field. The limitations of the research design have been considered and I have assessed how I used personal reflexivity. This research paradigm offers a research design that puts people and their experiences at the very heart of the data. It offers an opportunity that was welcomed by the participants to talk about their experiences and be heard. This generated a wonderfully rich data set from which I created the theory *Finding Ontological Security in a World of Precarity.*

CHAPTER 5 - Theory Summary of Finding Ontological Security in a Precarious World

One of the aims and end goal of doing a grounded theory (GT), as stated in the introduction, is to develop a substantive theory of a basic social process that is grounded in the data (Glaser and Strauss, 2006 [1967]). It is a recognised practise when using a classic grounded theory methodology, to present the grounded theory model (Dunne, C. and Üstűndağ, B.G., 2020). In the findings chapter, I delineate exactly how this theory is evidenced and provide more detail. But in order to understand the theory as a whole, I provide here a summary of the complete substantive theory - *Finding Ontological Security in a Precarious World* - to prepare the reader for the findings that underpin it.

Finding Ontological Security in a Precarious World is a grounded theory that explains the use of high cost credit by low income families. It explains how participants seek to address the negative emotional consequences of financial and social exclusion. The negative emotions are a result of being unable to engage in the purchasing habits necessary to attain the social norms required for full participation in society due to a lack of financial resources and the consequent shortage of acceptable forms of credit. The negative emotions build upon and are exacerbated by high levels of ontological insecurity which are prevalent as a result of growing up or living on a low income and experiencing material insufficiency. People seek to resolve the problem of material insufficiency through the consumption of credit to purchase the items which meet their emotional needs. When the credit is unsuitable due to cost, method of delivery or collection practices, it creates a cycle of temporary satisfaction followed by insecurity-triggered negative emotions. But when the credit is suitable to their needs, it creates a long-term solution even though the factors which would otherwise create ontological insecurity remain unchanged; thus, finding ontological security in a precarious world.

The theory is divided into three stages. The first stage, which is called *Addressing Exclusion,* focuses on the core concern of this group which is *Material Insufficiency*. This explains the lack of material goods required to satisfy human needs. Due to low-income levels, credit is required to resolve *material insufficiency* but cannot be found through mainstream financial providers. This results in financial and social exclusion which creates serious negative emotional consequences and induces the drive for urgent resolution. *Addressing Exclusion* is divided into two sections, Financial Exclusion and Social Exclusion, and explains the negative states the two linked but distinct forms of exclusion create. This section also includes the *Remediation of Low-Income Injury* which delineates the ongoing risks of exclusion, and the factors which cause ontological insecurity which also create and exacerbate social exclusion, which explains the drive for credit.

The second stage is called *The Material Purchase of Emotion*. This concentrates on the actions taken by participants to obtain the credit and goods necessary to resolve their core concern of *material insufficiency*. In this way, they satisfy their emotional need to create social inclusion. Increased social inclusion has a positive emotional impact, as does finding a positive long-term credit solution to facilitate an elevated level of ongoing material sufficiency. It is titled *The Material Purchase of Emotion* because the material needs satisfied are directly linked to the context specific emotional needs of the borrower who seeks to meet them through consumption. There are two dimensions to this: *The Consumption of Credit*, and *Material Consumption. The Consumption of Credit* looks at the provision of responsible credit through the case of Moneyline and the factors which make it a positive experience compared to prior negative experiences with credit. *Material Consumption* looks at how people consume goods to remedy social exclusion. This section explains the social meaning behind the purchases rather than delineating the specifics of consumption.

The last stage is *Achieving Emotional Satisfaction*. This is concerned with the lasting positive emotional response to financial and social inclusion which occurs as a result of the actions taken in the previous stage, as a response to the negative pull to act delineated in stage one. This theory may provide new insight to customers, finance institutions, policy makers and the general public. The findings chapter will delineate each stage in turn.

The following three chapters present the findings that were used to inductively discover the theory *Finding Ontological Security in a Precarious World* by looking at each stage of the theory in turn.

CHAPTER 6 - Findings Chapter One – Addressing Exclusion

Stage One – Addressing Exclusion

This study resulted in the generation of a theory, described in the previous chapter, from the findings. The theory can be explained in three clearly defined stages. Stage one – *Addressing Exclusion.* Stage two – *The Material Purchase of Emotion*. Stage three – *Emotional Satisfaction.* This chapter will delineate the findings which support stage one – *Addressing Exclusion.*

The 31 participants come from seven areas across the North-West of England and Wales. The participants are varied with one third of participants being male and two thirds of participants being female. The sample includes couples with children, couples without children, single parent families, fathers with limited access to their children, pensioners, both male and female, and single men and single women. Most of the participants are in receipt of benefits including disability living allowance, personal independence payments, working tax credit, employment support and unemployment benefits. At the time of interview, 10 participants were in some form of paid employment or were living with somebody who was working. All those who are working are in low paid employment and there was one student. The sample included people with cancer, epilepsy, alcoholism, gambling addiction and mental health issues; all of which had impacted their ability to maintain employment. Quite a few of the sample had children with disabilities who they cared for full time. What unites the participants is that they are all on a low income and are addressing or have addressed exclusion during stage one. They are financially and socially excluded with financial exclusion playing a large contributory factor to social exclusion.

<u>Financial Exclusion</u>

The participants do not have enough money to purchase what they need from their income streams without using credit. But they are excluded from mainstream credit which is lower in cost and can be interest free.

Low- and volatile-income levels, poor credit scores, being on benefits, the presence of county court judgements, and having a criminal record are contributary factors to financial exclusion. But when participants were unable to access mainstream credit and before they discovered Moneyline, the available alternatives they used were expensive sub-prime forms of credit such as home credit, pay-day loans and rent-to-own stores. Participants expressed unhappiness with these providers, as Jason indicates:

> "I missed one payment with Provident, I got a letter the following week - You don't pay your bill we're sending bailiffs. It made me angry when they talked to me like that.

It is clear that Jason felt angry at how he was talked to by Provident because he missed one payment. This links with his feeling of being 'discredited', lacking in value, and disrespected. He is resisting the way he is being treated. Many participants felt the same way about Provident and were unhappy with how they were treated by them.

However, none of my participants, all of whom were Moneyline customers, were currently using doorstep credit in addition to Moneyline credit, although many had in the past. They describe home credit as too expensive as Jason describes:

> “Provident, I wouldn’t ask them again. They charge over the odds. £100 loan, I had to pay £180 something pound back, that’s ridiculous. I won’t go online and use online loans anymore because they’re not worth it.”

With the benefit of financial inclusion from Moneyline, Jason now feels the price of his former lender is ‘ridiculous’, ‘not worth it’, and he declares that he ‘won’t go online and use online loans anymore’. This demonstrates how using Moneyline brings down the cost of credit for participants and highlights to them just how expensive their former loans were. Whilst Jason states that he will never use it again, this is stated from a position of relative financial inclusion now that he has a more affordable source of credit.

Participants also described doorstep lenders as too easy to become over-indebted with, as Simon evidences:

> “I got myself into a heck of a mess with Provident. After 6 months, they were offering me a £500 cash loan and as well, I got a £400 gift card. So, I had three cash loans on the go, and a gift card loan, so I had about £1500 of debt within 9 months that I ended up defaulting on.”

Here, Simon is highlighting the predatory nature of this doorstep lender. He says that ‘they were offering me’ loans. This is not a situation where he went to get a loan to meet his needs, but rather, once he was a customer, the organization then offered more, and that it was ultimately unaffordable because he ended up defaulting on it.

Amanda echos Simon's view that this lender 'push' loans onto you until you are struggling financially to maintain the repayments:

> "Provident are the kind of people that after 6 weeks of paying, they'll push another loan on you, and after six weeks of paying that, they'll push another one on you, and that's how it tends..until you're owing them grands and grands and you're paying out so much that you're always struggling."

Amanda highlights the aggressive nature of Provident to keep the customer taking on repeat loans until the amount borrowed is too high to repay and it becomes a frequent struggle. Amanda also states that:

> "Because they are the ones that are doing all the pushing. It's not the customers, they know the customers are in need of money, and this is how they are. It's ridiculous."

Here, Amanda taps into the power imbalance experienced between the lender and the borrower. The lender knows that the customers need the money, and they use this knowledge to 'push' loans onto them. She knows it is ridiculous, but due to the power imbalance due to lack of choice resulting from financial exclusion, she has no other choice.

Another feature of commercial credit that participants who are on low incomes tended to rely on as a result of financial exclusion is that you pay more, for less, as Amanda states:

> "I think people would just be paying above the roof using things like Provident and paying over the odds and they wouldn't be getting as much money as they are getting less and paying out more, so they would be a lot worse off."

Amanda realises that using Provident makes her 'a lot worse off' in the long run because they are so expensive. Her experience is that you end up paying more and more out of your weekly budget to service loans that are smaller as she is 'getting less'.

Hannah explains the stigmatising effect of using doorstep lenders:

> "Whereas Moneyline, it's all done in an office, no one knows, no one comes knocking at your door, it comes out of your bank, you feel a lot more comfortable in yourself because no one knows what money is coming out of your bank, nobody knows that you've had a loan, whereas Provident it's a lot more of, yeah, you can see, look whose knocking on the door over there for money. When you're having to turn around and say like, could you call next week, you Can they hear me saying that I can't afford to pay them think, oh, can the neighbours hear me saying that. Can they hear me saying that I can't afford to pay them this week? It used to be that sort of feeling, you know?"

She compares her experience with Provident to that of Moneyline. She likes that nobody knows if she has taken out a loan, which indicates some level of stigma in some people about borrowing, although this was by no means universal in the sample (see Typology of Stigma - Table 4).

She describes the worry that neighbours can hear that she cannot afford to repay her loan when the collector comes to the door and she does not like that 'feeling'. Her citation demonstrates a sense of relief that she does not have to worry about that anymore (more about this in chapter 8 – Achieving Emotional Satisfaction).

Linked to the dislike of somebody coming to the house to collect money, Karen describes how she dislikes it if her children say that there is a man at the door asking for money:

> "I don't like the kids going to the door and Mum, this person wants money."

Karen does not expand on why she does not like it when the children go to the door and say 'this person wants money' but it is likely to be similar to Hannah and based in shame or stigma.

Niki discusses the pushy way repayments were collected from her door with doorstep lenders:

> "I absolutely hated them. Because they would bang on the door, "I've come for my payment". I'd be say, give me two seconds, I'm in the middle of feeding the littlun, and I'd say, can't you wait just two seconds. And they would say, no because I've got to go and do this, and to me, that put me off having loans. I hated them coming. It was the way they did it. Knock on the door, and then, abrupt and pushy. A lot of them didn't show their ID either."

Here, Niki is describing the pressurising nature of doorstep collectors and how they make her feel uncomfortable, so much so that she 'hated them'. They were not patient, they did not consider that she was a mother of small children and could not just run to the door. She 'hated them coming' because of how they collected the money in an abrupt and pushy way without ID.

Participants describe deep unhappiness with the aggressive and nasty letters that are sent when unable to repay as Jason indicates:

> "Most loan companies don't bother. They just want to give you a loan and sod you off. But Moneyline sit you down and talk though everything; your outgoings, your income and if you're stuck they help you. At the moment I have missed two payments with Moneyline. Instead of sending dirty disgusting letters to my door, they ring me."

Again, in this example, Jason compares his experience with commercial high cost credit to the responsible high cost credit that Moneyline provide. This is a clear example of the injuries that are faced by people who are excluded from credit, and the treatment they have to accept in order to access credit. But it is painful, he considers the letters 'dirty' and 'disgusting' and contrasts this with Moneyline who take the time to ring him. He contrasts Moneyline's caring attitude to commercial providers who mostly 'don't bother' and 'sod you off'.

Self-Exclusion

Some self-exclusion from various mainstream and sub-prime providers occurred in response to previous bad experiences and extortionate pricing such as those describe above, and prior over-indebtedness. Some participants stated that they found it difficult to resist spending when credit card companies increased spending limits without authorisation and described how this is a strong temptation when living on persistent low incomes.

Some people did not apply for loans in the mainstream market because they believed that they would not be able to get credit, as Elizabeth illustrates:

> "Not that I've really tried any other places, but because I'm not working, I automatically think, well nobody's going to give you a loan."

Total Financial Exclusion

A small number of participants cannot even obtain sub-prime forms of credit and find themselves completely financially excluded. This puts them at risk of using illegal money lenders, and some participants, even in this small sample, have described using illegal money lenders in the past, or stated that they would use one in the future if they had to. This appears to contradict those who claim that they self-exclude from the most expensive or onerous providers. However, it should be noted that it is easier to retrospectively state that you would not use a more expensive provider when you have access to a secure, responsible and lower-cost form of credit. The admission by some that they would use an illegal money lender if they had no alternative, and the fact that before using Moneyline, most participants had used doorstep lenders in the face of no known alternative, speaks to the desperate need for credit by people on low incomes and the reality that is clouded by current access to credit on 'reasonable' terms.

Emotional Reactions to Financial Exclusion

There was a strong negative reaction described by participants to being financially excluded. The terms which they used to describe their negative reactions can be divided into three groups. Firstly, are the responses generated due to the lack of access to the cash they need to resolve their economic situation. This was a very strong emotional response with 56 direct references in the data to support it. The terms used by participants to express their emotional response to not having access to the cash required to resolve an economic situation are 'devastation', 'desperation', 'anger', ‘worry’, ‘feeling screwed’, ‘low’, ‘jealous’, ‘panicky’, ‘pissed off’, ‘a struggle’, ‘upset’, ‘gutted’ and ‘anxiety’.

However, the emotional impact of financial exclusion goes beyond discursive narrative as participants’ body language also expressed the painful emotional response (see body language below). Secondly there are negative emotional states referencing internalised rejection, and thirdly, there are negative emotions expressed as a result of having to pay more for credit.

Participants expressed feeling ‘decreditized’, ‘not good enough’ and ‘second-hand’. These are the emotions resulting from internalising the financial exclusion. They take the rejection personally and interpret it to mean that they are personally not of value. This shows that financial exclusion can have a negative impact on a person’s self-esteem.

Being excluded from mainstream credit and having to pay more for credit was perceived as unfair. The participants express this by using the terms ‘discrimination’ and being ‘ripped off’.

Body Language

When the participants described the experience of financial exclusion, they demonstrated visible differences in body language compared to when they discussed financial inclusion. The interviews all started with '*Tell me about your experience of Moneyline'*, and the narratives at this point were always confident as they described their experience with Moneyline, with accompanying positive body language such as smiles, open body postures, and loud voices. But this visibly changed upon describing the experience of financial exclusion. The smiles turned to frowns, people furrowed their brow and looked anxious. The tone of their voices became upset and irritated. Movements became jerkier instead of smooth and relaxed as they were before. Most participants exhibited these clear physical demonstrations of distress which confirmed their verbal narrative that financial exclusion was highly distressing and emotionally difficult.

Social Exclusion

Financial exclusion often leads to high levels of social exclusion due to the lack of resources necessary for social participation, and this also generates highly negative emotional states. However, because the sample is drawn from Moneyline customers who do have access to responsible credit, they were currently able to afford the material possessions necessary to reduce the worst elements of social exclusion. Therefore, to understand the impact of credit with regards to social exclusion, they were asked to retrospectively remember, or think about how they would feel, about not being able to afford to buy the things they wanted to. Not being able to buy certain goods was linked to social exclusion and this was clearly very upsetting.

A Detour into Loan Purpose Information

It is important at this point to detail the loan purpose. A loan purpose is what people purchase with their loans. By understanding this, we can begin to understand the impact of credit and the strong negative emotional states that being unable to purchase these items generates. However, loan purposes are complex because people often have more than one loan which they use for different purposes. They often cannot recall with a great deal of accuracy what the earlier loans were for if they had been using Moneyline for a long time. However, participants were able, in the main, to supply general categories. Furthermore, people buy more than one thing with each loan and they also treat themselves or their families if there is any left over from what they borrowed the money for. Others borrow more than they need so they have that extra for treats. Some put the loan in the bank 'just in case' with no specific loan purpose. Some participants admitted to lying about the loan purpose because they feared that they would be declined if they admitted that they were purchasing a television, rather than something imagined to be more important, such as paying a bill.

There is a wide variety of loan purposes, one of which is the general category of decorating and furnishing, including the purchase of domestic appliances and televisions. However, I saw limited evidence of people having the very large flat screen televisions that are associated with people on benefits in the popular media. My observations were that televisions were often small, old, or second-hand.

Seven participants discussed buying beds. June needed them urgently because she became responsible for her grandchildren as did Jason who unexpectedly became the carer for his children. Kelly and Margaret needed to get new beds to cope with the medical needs of their child and husband, respectively. Hannah needed new beds because the children broke the old ones, which is more likely to happen when all you can afford is a cheap bed. Dave needed to buy everything from scratch when he left prison, including a bed. Alicia never imagined in her wildest dreams that she could ever purchase a bed from a known high street furniture shop because her credit status was so bad, as she describes:

> "Well I never thought in a million years I'd be in Dreams, actually buying something. Because that's, you know, because of my credit status, that's just not ever been possible."

People often take out loans to decorate and furnish their home. Decorating was mentioned eight times and furnishing, including domestic appliances, was mentioned nine times. June had zero material possessions due to fleeing to a new town as did Dave who left prison. Meghan needed to purchase absolutely everything in the house, from carpets to cutlery, using credit as she was a single mother moving into her own home for the first time. People often decorated and furnished their homes in stages. They took out consecutive loans to complete the decorating over time because the loans are not large enough, nor is their capacity to repay, to do it in one go. As Meghan explained, moving into her first council house:

> “It just had bare walls, it was plastered. So it needed decorating. It had no carpet. With it being my first house, I needed to get bits and bobs like cutlery, plates, bowls.”

Meghan needed to borrow money to make the house habitable, which is very different from stylish or fashionable. This is not décor as a hobby; this is décor and furnishing to a basic liveable standard. Sarah used some of her loan to hire a ‘Rug Doctor’ from the local supermarket so that she could clean her carpets and in that way, felt more comfortable about letting friends in to visit which she would avoid if the carpets looked too messy as she feared they would judge her harshly.

Sarah, Donna and Alicia used Moneyline loans to manage shortfalls in rent whilst Sarah and Niki used the loans toward a deposit so that they could move to a new house. Catherine used the loan to pay for the costs of moving to a new house. Chris, Leslie and Mark, Niki, Barbara and Laura used the loans to pay for cars, car repairs and insurance.

Amanda and Donna used the loans to pay for funerals, and Niki also used it to part-finance her wedding. Mark consolidated a number of outstanding loans with Moneyline credit and Wayne needed the money to pay for an unexpected and unanticipated large electricity bill.

Hannah, a young mum with three children under nine, and Meghan, a 23-year-old with two children purchased items for their babies. Hannah’s use of the loan was ingenious. She used it to put a deposit down in Mothercare and Toys R Us to access their interest-free instalment plans so only had to pay the Moneyline interest on the deposit portion of her purchases, the rest being interest free.

Three people used the loans for birthday presents and six used the loans to help their families out. They paid debts for siblings, took ill family members away on holiday. Two people reported that they borrowed the money to put it in the bank in case it was needed in an emergency. For example, Margaret is a cancer patient and wanted to know there was some money in reserve for her husband and son should she fall ill. Several interviewees were vague with their replies stating that they were not sure what they used the loan for, that it was for 'loads of things' or for 'different things'. This could be because they genuinely could not remember what they borrowed the money for, or they wished to conceal the true nature of their purchases from me.

A third of participants used the loans for holidays, clothes or spending money for holidays. A third also reported using any money left over from the loan for a treat, either for themselves, or for their family. This included items such as a meal-out or going to the cinema, getting your eyebrows done or buying some CD's. Two people mentioned days out with the children, and three people said they did a massive shop and bought things they would not ordinarily be able to afford, such as branded cereal or sweets when they got a loan.

Leslie and Mark took a large loan out 'because we could' with no defined loan purpose. An extract from their interview explains why:

> "We wanted to just go out, and have some fun, because we never do it. For a week, I did not want to think about where the next £10 was going to come from. For one night we're not going to feel guilty about spending it ourselves and not spending it on the kids. When you have to fork out all the time, then it was nice to have that £700 just for us."

They were clear that they were fed up of having nothing for themselves and always sacrificing for their children. They did not imply that they did not want to sacrifice for their children, but they just wanted for once, to have a good time, without guilt, following years of deprivation and sacrifice ensuring that their children's needs were met.

Emotional Reaction to Social Exclusion

Despite the wide variety in loan purposes described above, all but three participants used the loans at some point, or repeatedly, for Christmas. This demonstrates the importance of gift giving and marking this 'significant celebration' as Chris called it. This often arises out of a two-step process. People will first borrow for pressing basic needs such as beds, replacing white goods and paying car insurance etc. Once they have successfully experienced repaying the initial loan, and have found it to be a good experience, they then borrow for social needs. In this way they create a medium-term affordable financial strategy to manage lack in an environment of volatile income. There is a regular and predictable need for larger sums of money at Christmas and holidays. These are the times of year which require the biggest levels of expenditure. They are highly significant in building social and cultural capital and there is a highly distressing emotional response that occurs when people are unable to purchase the material goods necessary to achieve a measure of social inclusion, including worry, anxiousness, depression, tension, sadness, upset, dread, crying, meltdowns, feeling gutted, a feeling that life is limited, and hate.

The strongest emotional responses to social exclusion were ‘worry’, ‘depression’, ‘upset’, and feeing ‘gutted’. The use of the term gutted is particularly visual and visceral. It describes the emotional impact that social exclusion produces. It is an English colloquialism that means bitter disappointment or upset (https://en.oxforddictionaries.com/definition/gutting accessed 06.01.2019).

The formal use of the term gutted means to eviscerate the internal organs of a fish. Participants use this term to communicate a feeling so bad, that you feel like your internal organs have been ripped out leaving a feeling of emptiness. It indicates a deep level of sadness or pain. Being socially excluded also gives rise to feelings of jealousy and shame. People felt shame because they did not want to let people into their homes to socialise if it was dirty or in poor condition. Also, they felt shame at being unable to adequately provide for their children. Whilst discomfort was not a term that came up in vivo, it was apparent in the context that there was a level of physical discomfort arising from living with poor quality, second-hand furniture. There was also a social discomfort that was apparent from being unable to ‘pay your way’ or keep up with friends.

Participants also used terms that indicated that they are internalising the negative emotions which are detrimental to a positive self-image or understanding of themselves such as ‘guilt’, ‘letting people down’, a feeling of ‘uselessness’, ‘feeling like scum’, ‘embarrassment’, ‘feeling left out’, and feeling negatively ‘judged’. These negative emotions and internalised feelings indicate the importance of social inclusion. When people cannot afford things, they feel a loss of control. They negatively compare themselves with others, or their children with the children of others. Parents described that being unable to adequately provide for their children’s social inclusion caused them to feel that they could not fulfil their own expectations of what it takes to be a good parent.

Having delineated the strong negative impact financial and social exclusion causes, the next two sections, titled *Risks of Financial and Social Exclusion,* and *Low-Income Injuries*, will demarcate the factors which create feelings of insecurity, which contribute to a negative emotional response.

Risks of Financial and Social Exclusion

There are serious social consequences described as a result of being financially and socially excluded. It can lead to desperation, poor mental health, poor physical health, poor relationships, poor financial control, financial self-exclusion and social self-exclusion which are explored in more detail below.

Desperation

Participants described how if they could not access responsible and fair loans which they currently enjoy, that they would use an illegal lender, colloquially known as a 'loan shark'. There were examples in the data of prior 'loan shark' use. The demand for illegal moneylenders is due to complete financial exclusion. This is in accord with the FCA 2017 report into illegal moneylending which states 'consumers that use such lenders have exhausted all available resources and have a desperate and urgent need for money, often being tipped into using it by a crisis or unexpected particular shortfall in income' (FCA, 2017:5). Participants also stated that they would resort to pawning their goods, become over-indebted with sub-prime lenders or credit cards, or subject themselves to the highly negative practices of doorstep lenders. They indicated that they did not want to use these forms of credit because it was stigmatizing. They did not like their children saying that there was somebody at the door wanting money. Agents were considered smarmy and their collection techniques aggressive. Participants often became over indebted because it was too tempting to take out additional loans; furthermore, they felt manipulated into topping up their loans, and they complained that it took too long to repay the loans. Fourteen participants contrasted their positive experience with Moneyline to their negative experiences with Provident and were adamant that they did not want to use them anymore.

However, desperation led Barbara, Douglas and Sarah to use a loan shark. Barbara stated that the rates were extortionate but that she needed the money for "something important like replacing a large kitchen item". The lender tried to use intimidation to make her take out another loan. Douglas described how he was really struggling at the time and that the loan shark did become aggressive. Sarah said that it was scary having "two hefty men at the door", and that they added more money to the balance. She stated that:

> "They give you charges that you'd never heard of, that they'd put on…but at that time, when you needed the money, I'm going to have to do it. There's no other option."

<u>Poor Health</u>

Poor health is another risk of financial and social exclusion. I have divided this into mental health and physical health. Five participants believed that their mental health would decline when asked to consider how they would feel if they could not buy the things they do. Many others described insomnia, anxiety, alcoholism relapses and nervous breakdowns that have or would occur due to financial and social exclusion. Ten participants described insomnia or losing sleep over money worries. 'Worry' is a strong code that emerged from the interviews as has been discussed above.

There is evidence in the data to suggest that financially induced stress can worsen physical health. Sarah described how her epilepsy worsens as a result of increased stress over money.

> "I've got epilepsy and what seems to trigger my fits off the most is being worried, being under a lot of pressure, being stressed. And me having these loans has taken the pressure off. I have had less fits."

Poor Relationships

Financial difficulties can cause couples to argue as Laura illustrates:

> "We are both down about money all the time, and then sometimes we'll have a bicker or argue. Every time we get paid we argue about something. She'll be like, what do you want that for. And I'll say, because we need it. And we'll have an argument in the middle of the shop. Argument this morning."

When Laura states that they are 'down about money all the time', she is telling us that financial difficulties create a depressive effect on both parties in the relationship which creates arguments. The disagreements Laura expresses about how her and her partner try to negotiate spending, shows that there are insufficient resources to meet both their needs to the extent that they will argue in public and had argued on the morning of the interview. Money worries creating tension between them was a common feature for the couples who had participated in the research.

Poor Financial Control

There is a greater risk of poor financial control when people are financially and/or social excluded. A lack of money or a sustainable form of credit was found to increase defaults on bills. Credit options which were used before discovering Moneyline led to over indebtedness due to their high cost and use of roll-over loans which were encouraged by the loan agents. A strong theme of financial horror stories emerged as a result of using Provident or credit cards. Some participants also risked losing personal items due to the use of pawn shops.

Financial Self-Exclusion

Because certain credit options had such high interest rates and negative practices, some people described how they refused to use them (self-exclusion) because they are too expensive and too easy to become over-indebted with. However, it is worth remembering that this is asserted in the context of the availability of responsible and fair borrowing through Moneyline, and the contention has already been made in the section on 'desperation' above, that desperate people will turn to whatever form of credit they can obtain.

Social Self-Exclusion

A strong feature emerged of people socially self-excluding because they lacked money to participate in social activities, and they felt that they could not keep up with their friends. This exacerbated feelings of depression and low self-esteem. Simon was very articulate about the self-exclusion he engages in due to a low-income and how it is related to low status levels:

> "This is the biggest thing. I think not being able to afford whatever I want and always having to worry if I have enough money. It's not a nice situation to be in in the long term. It restricts you so much. It stops you socialising and doing things or getting involved with people where you know that you will feel uncomfortable. For example, if somebody asks me to go on holiday with them, and it's going to cost £400 and I haven't got it. It limits your social activities; it limits a lot of what you can and can't do."

He makes a clear link between the discomfort he would feel being in a social group if he cannot afford to participate, and therefore makes the decision not to socialise or get involved with certain people.

Low-Income Injuries

Ontological insecurity occurs when a former pattern of experience demonstrates a persistent lack of access to the structures necessary for the creation or maintenance of basic self and social identity (Giddens, 1984; 1991). These patterns inform the present deep lack of trust that the 'basic existential parameters of self and social identity' exist, (Giddens, 1984). These experiences form symbolic injuries which were sustained from living life on a low-income. Examples of symbolic injuries are being judged (Skeggs, 2012), stigma and disrespect (Lister 2004; Pemberton *et al.*, 2014), being viewed as less than others (Lister, 2004) and labour precariousness, which produces 'material deprivation, family hardship, temporal uncertainty and personal anxiety' (Wacquant, 2008:24-5 cited Tyler, 2013:8). The strongest form of symbolic injury is that which is due to labour precariousness which produces low income, and thus I have named the symbolic injuries present in the data as 'low-income injuries.' I shall describe the evidence of 'low-income injuries' next.

The participants who grew up on a low-income describe high levels of material deprivation which was accompanied by bullying and shaming by their peers due to not owning the right branded shoes or coats, for example. It led to feelings of being left out and in response, parents who experienced this try to repair or prevent these injuries for their children. There are also reports of emotional deprivation which some participants have tried to address through consumption. Some interviewees reported that poor educational provision resulted in low educational outcomes leading to an inability to access well paid and secure employment. Others described the negative health effects of growing up in poor quality housing. The various low-income injuries are not isolated occurrences but are intersectional and cannot easily be separated out into discreet injuries. However, the different low-income injuries are material deprivation, emotional deprivation, educational deprivation, labour precariousness and the resulting benefit instability and poor housing.

Not all participants describe growing up on a low income. Some participants grew up in more economically stable working-class families, and a minority grew up in relatively wealthy households but due to unfortunate life events, are currently living on low-incomes and need high-cost short term credit. For the latter group, participants wanted to try and regain some of the levels of standard of living that they had lost or provide a certain standard of living for their children. They often described wanting to give their children what they had had to avoid the symbolic injury of low-income, rather than repair existing ones. This reduced the feelings of ontological insecurity. The security sought was both financial and social, and the mechanism by which this occurred is through the emotions. The rest of this section will describe the various symbolic injuries expressed by the participants in order to understand the underlying factors which contribute to the negative emotional responses to financial and social exclusion.

Material Deprivation

Being brought up in poverty was associated strongly with material deprivation whereby people expressed that they did not have the branded trainers or bags that they needed at school to fit in. This led to bullying and feelings of jealousy and shame. Parents made a direct link between their own negative experiences and wanting to ensure that this did not happen to their children which they solve by buying symbolically important products such as branded clothes and popular toys or gadgets. An inability to do this can result in feelings ranging from upset to depression which indicates that it is a very important emotional need to give your children the things you never had. Material deprivation clearly causes such a significant emotional injury to parents that they are desperate to avoid for their children as Amanda's statement demonstrates.

Me: "Do branded trainers, branded clothes play any role in your life?"

Amanda: "Not for me, I buy copies, I'm not bothered. For my son, yea, because he's in high school, and I remember what it was like in high school, I didn't have nothing as a kid and I was always pushed aside by the other girls. I would never be chosen for netball because she's got better trainers than I've got on, so I do make sure that I get them the best stuff, definitely."

Me: "How would you feel if you couldn't afford the trainers for your son?"

Amanda: (Big sigh) "I'd feel devastated, heartbroken, I wouldn't know what to do. As soon as I can't give them something, I literally break down, it's quite bad, I'm in tears, I'm shaking, just because I'm not in control of the situation and I can't give them everything that they should be able to have and I don't see why they can't. So I suppose giving them everything means everything to me. They are my world. And I wouldn't change that for anything."

Amanda isn't bothered by brands for herself, but only for her child in order to avoid them being 'othered'. Prevention of 'othering' shows that it is not the possession of the branded good in and of itself that carries any importance, but its value in relation to others.

Amanda makes the clear link between the material deprivation of her childhood and the desire to provide that which she did not have, for her children. However, the impulse that propels her to do this is her strong negative emotional reactions to an inability to give them something. This includes devastation, heartbreak, breakdowns, tears, shaking and the feeling of a lack of control. She regains control and relieves her symptoms by borrowing money to 'give them everything'.

<u>Poor Quality Housing</u>

Feeling discomfort due to living in poor quality housing could be a symbolic injury of low-income living and helps us to understand why people borrow money to have a nice home. I make this assertion because there is evidence in the data of people seeking to remedy this in the present as a result of their former deprivation. For example, June reported having to use an outside toilet in the cold growing up and contrasts this with the pride of having not one, but two indoor toilets.

> “You had an outdoor loo, and a bath in front of the fire but now, I’ve got two toilets, INSIDE the house. My house is lived in. It’s nice to go home.”

She states that ‘it’s nice to go home’, which indicates that the house she grew up in may have not been nice to go to, although we are not made aware of why. A significant amount of her borrowing is to improve things in her house and she goes on to say:

> “My priority is to keep the house nice. I want a nice home around me. They’re not a necessity, but it makes me feel better.”

Here, she uses the vocabulary of emotion when she states, “it makes me feel better”. This implies that not having a nice home makes her feel bad and that this drives her to act to improve her living conditions to transform the negative emotional state that would otherwise prevail. Furthermore, she blames a poor standard housing for the development of her asthmatic condition, which is an actual injury and not just symbolic. However, whilst she links the desire to have a nice home now to growing up in poor living conditions, there is also a strong factor that is related to not being judged by others as she states:

> “If somebody comes in my house and they look at the hallway, (if it’s bad) do they think, cor, is the rest of the house like that?”

This desire to maintain a standard in the home that avoids judgment was a repeated theme in the data and is also a strong feature of why people borrow money.

In a similar way, other participants stated that if their house was in a poor state of repair, that it would worsen their depression. Donald says that having a nice home reduces depression as he has to spend so much time in his home due to age and illness. Dave also prioritises loans for making his house nice and credits everything he owns to Moneyline. He describes how he had a complete absence of material possessions, as well as a stack of debts after leaving prison. But over time, by using Moneyline, he has managed to furnish his home to a standard that he takes pride in as is now not ashamed of inviting people in. Paul is a recovering alcoholic and describes four years where he lived as a recluse, drinking. Having a lovely home for him is the opposite of that and is a source of pride and dignity. Paul was one of the few participants who had decorated his house to a highly desirable standard, yet, if you looked closely, the furnishings were very old and worn, but his talent at painting and fitting carpets made the house look spectacular. However, this was rare.

For the majority, a good state of repair could not be confused with luxury, and the homes I visited were decorated and furnished very simply using second hand or old furniture with few accessories. Televisions were frequently small, and not the huge flat screens that the media would have us all believe people on benefits have. Homes which were beautifully decorated were few and far between in the sample, and even when they existed, the furniture was likely to be second hand, or in one case, purchased using

BrightHouse.[20] The majority were in very poor condition and people borrowed money to make them liveable and serviceable, rather than luxurious or fashionable.

<u>Emotional Deprivation</u>

Several participants described childhoods and current situations which feature emotional deprivation, as Simon describes:

> "If you grew up in a household where your stepdad was an alcoholic and he used to come home steaming drunk and be quite aggressive, AND you didn't have….and you didn't grow up knowing you were loved, you didn't have the usual hugs and stuff like that. If you didn't have that shown to you, if you didn't have self-confidence or self-esteem when you were growing up, you carry that through when you are an adult. You don't realise it because you try to compensate for it, but it's there."

The compensating behaviour Simon alludes to is specified by Wayne as buying things to compensate:

Simon:	"It gets to you, not having many friends to go out with. It would be nice to get out a bit."
Me:	"Do you ever buy things to make yourself feel better to compensate?"
Simon:	"Sometimes I do yea."
Me:	"What sort of thing?"
Simon:	"Well I bought a new tablet recently, and things like that. Play games on the computer."

June, who was mentioned as prioritizing borrowing for her home, feels that she missed out on a family life because her dad died when she was 11 years old. The desire to have

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[2020] BrightHouse was the UK's largest rent-to-own provider at the time of writing, but it has now gone into administration as a result of Covid-19 (Peachey, March 2020). See 'Rent-to-Own' in 'Providers' for an explanation of the rent-to-own sector in Chapter 2 'Background to Working Class Credit and Financial Exclusion'.

her home be a place of comfort may be linked to the emotional detachment she felt upon the death of her father when she was a child and having to grow up too soon. She felt emotionally neglected by her mother and in addition to borrowing to improve her home, she also uses credit to purchase Christmas presents for her children because she is certain that they would feel like she does not love them if she did not. Furthermore, she is worried that the 'link' between them would go. This is what she said immediately preceding the account of being neglected during childhood:

June: "I would feel very guilty if I didn't buy it because it's my way of saying 'I still love you', if you know what I mean, it keeps us linked."

Me: "That's a very interesting way of putting it. Tell me a bit more about that, 'keeps us linked.'"

June: "I would feel as if would be breaking a link if you know what I mean. I don't have to do it. I want to do it and if I can't do it, I'll feel really bad about it. It's just the thought of letting them down. I feel as if I am showing that I don't care, or I can't be bothered. And if I don't do that, I feel as if I will drift away, because my son and me did drift away at one stage, and I don't want that to happen again."

When June states 'I'll feel really bad about it', she's showing that she borrows money to buy that which is needed to maintain a positive emotional state. The feelings from her own childhood neglect are mixed with the desire for her to maintain contact with her son because she fears he may 'drift away' again. The giving of gifts in this case is a hugely important part of maintaining positive family relationships in the context of emotional deprivation and is driven by the desire not to feel bad.

Shame

Shame is another symbolic injury of being on a low-income which gives rise to feelings of not being good enough. On a physical level, people are not sure if they can meet their material needs and this creates mental anguish and stress. ‘Shame’ is a dimension of exclusion that has many properties. Relative poverty and its embodiment is one; the shame of being on benefits is another, as is the shame felt by borrowing. However, this particular property is not felt equally by all participants as I delineate later under ‘no shame in borrowing’. The remainder of this section looks at the dimensions of the properties of shame including the shame of relative poverty, the shame in borrowing, the embodiment of poverty, and the shame of being on benefits or being unemployed.

Relative Poverty

Not all participants grew up in poverty. Some grew up in working class families who experienced a good standard of living but due to illness, single parenthood or unemployment, are currently on a low-income and in need of credit. Those who have children in this group express a desire to give their children what they had growing up, and do not see why their children should not have what they had. But there is a smaller sub-group of the sample who either grew up amidst prosperity or created prosperity for themselves as adults but now have low incomes. They intensely feel the relative poverty that they currently experience. The levels of shame expressed at being on a low-income were high for this group, and there seemed to be a high degree of stigma attached to being on a low-income. This caused personal trauma and generated highly negative emotional states which they sought to remedy through the purchase of certain items to move closer to a ‘decent’ standard of living which they are accustomed to, as Dave explains:

Me:	“Now you said that you worked and you had good money coming in, luxuries and a good standard of living and that’s how you want to live as much as you can.”
Dave:	“Yeah. Yeah.”
Me:	“And Moneyline helped you with that.”
Dave:	“Yea.”
Me:	“You’ve also said that you hate being on benefits. I think you said you were ashamed to be on benefits.”
Dave:	“Yeah, but I don’t have no other choice.”
Me:	“So, by having a nice house, does that go somewhat toward making you feel better about yourself?”
Dave:	“Yea, I’ve got more confidence, I’ve got a more happy life.”
Me:	“Tell me about that a bit more.”
Dave:	“I’m not ashamed of people coming in, I can invite people in. And they’ll say, oh it’s nice, and I’ll say, yea, but it’s what I’ve paid for. Through the help of Moneyline.”

Dave’s response is indicative of the shame that relative poverty and being on benefits induces which is contrasted to the memories he has of his former good standard of living which he seeks to replicate. Shame is a negative emotional response. He asserts that he is no longer ‘ashamed of people coming in’ which gives him confidence and makes him feel happy. This clearly evidences the three-stage process of negative feelings inducing action to generate a positive emotional resolution. Douglas, who used to be a millionaire and owned successful businesses specifically discusses the injuries of being on a current low income:

Me:	“Do you go out as much as you would like socially?”
Douglas:	“No.”
Me:	“Why?”

Douglas:	"Errrr, why…(long pause and some stammering)…I suffer from depression, and low self-esteem. Yea, I was a big social animal, but that's when I had money. Before, I had money. When I was young and climbing your way through society, trying to find yourself and social identity. I'd go anywhere I could use as a rung on a ladder or put myself around, but at the back end of the scale, when you get a bit older, and things haven't gone right, and your ability to do that is not as good, then …so……I don't know, is that a reason?"
Me:	"Yes it is. And is lack of money a reason?"
Douglas:	"Yes."
Me:	"Because you said about the rugby and you not going to away days because you don't want to cadge a lift off of someone."
Douglas:	"Ultimately, it's a lack of money. Yea. That's the bottom line. It feels crap."

Douglas introduces and concludes his explanation with emotional terms. He begins by stating that he suffers from 'depression and low self-esteem'. He concludes his explanation of relative poverty by contrasting it to the time when he had money and saying that the contrast 'feels crap'.

Shame of Borrowing

Some of the respondents expressed shame in borrowing money. They do not want to be seen taking out loans and do not want others to know that they have taken out a loan as Alicia points out:

Me:	"Do you have any shame or embarrassment in taking out a loan?"
Alicia:	"I do, when I'm walking into the office in the town centre. I wish it was hidden away somewhere else. They've got big windows where everybody can see you. It's embarrassing because everybody knows that you must be on the breadline to use a place like that, that you must be desperate. I do feel that it is embarrassing."

People who had come from a prior wealthy lifestyle suffered higher levels of shame around borrowing than people for whom borrowing in the sub-prime market was a normal course of life shared by those around them. Financial exclusion was also a greater source of shame for this group who felt that their sense of worth was questioned when they were declined a loan.

Alicia used to own her own business and fits into the category of those who experience a high degree of shame due to their relative poverty status. This explains why she finds the visibility of the branches highly embarrassing. It is important to her to present an image of herself that hides her current level of poverty.

Douglas, the former millionaire, considered it "a humiliation" to borrow money, and Katherine who grew up in a wealthy family and went to private school "felt uncomfortable asking for money" and said that "it's a stigma thing isn't it."

However, Hannah, whose parents were both unemployed whilst she was growing up, differed to most of the other participants who grew up on a low income because she believed that people would judge her for taking out a loan as she describes:

Me: "How does that feel, thinking that people might know that you've had a loan?"
Hannah: "It feels like well, you can't afford, you know? Ah look, they've had a loan because they can't afford something. They've had a loan…"
Me: "So do you think they're judging you?"
Hannah: "Yea, judgmental.

However, Hannah believes that she is also harshly judged for being a young mum as people used to look at her, judging her negatively for affording nice things for her children, yet not understanding the financial effort it took to achieve that as she explains:

> "But what they can't see, is that you actually can't afford it, but you always put your kids first, even if it meant you going without, you would make sure they were well in themselves."

By examining Hannah's two statements together, it might be that she has internalised the judgment she has experienced by strangers and therefore feels shame at having to borrow money. Similarly, it is important to note Hannah's preference that Moneyline meetings are conducted in a closed office, not a large open window office, and that the direct debits are invisible to the public, compared with doorstep collections which are highly visible and audible.

No Shame in Borrowing

In contrast to Hannah's experience, the majority of respondents did not feel shame in borrowing and instead, felt empowered when they were able to access credit because it made them feel valued and improved their self-esteem. They felt that it was a normal way to finance purchases as Wayne points out:

Me:	"How do you feel about the big open windows of the branch, that people can see in?"
Wayne:	"I'm not bothered. It doesn't faze me at all. I could be for anything, I could be putting my savings in, nobody knows."
Me:	"And would it matter to you if they did?"

Wayne: “No. It’s nothing to do with anybody else. There shouldn’t be no shame attached to anybody going to the place to get a loan. I’d rather go there and get a loan out than a doorstep lender or anybody else, because the rates are so cheap, that it makes financial sense going there. Most people use credit in this country to manage their money.”

In contrast to Alicia, Wayne is not ashamed to go into Moneyline branches that have big open windows. He adds that ‘there shouldn’t be no shame’ in going anywhere to get a loan, and instead, it is to be seen positively because it makes financial sense to use a cheaper provider. Furthermore, he comments on how using credit is normal across the UK.

Embodiment of Poverty

The nature of the shame and stigma of poverty is revealed by what people on low incomes choose to buy with their loans. There is a concern to avoid judgement from others for having a dirty or poorly maintained house. Sarah explicates this when she states:

> “With my daughter (who is a toddler), the carpet gets messy. And I’ll be getting the Rug Doctor to clean the carpets, which will make me feel better because that moment when people come into my house, they might be sat there thinking, bloody hell, because of my carpets and stuff. But when I get my next Moneyline loan, I’ll go and rent out a Rug Doctor from Tesco or Morrison’s, which are only £25 which will make me feel better because my house will look better.”

Twice she states that it “will make me feel better”, thus demonstrating the pivotal role the negative emotions play in driving the demand for credit to hire a carpet cleaner. It is useful to understand that even £25 to keep her carpet clean is too much to afford out of her weekly budget without a loan. Despite this, it is still important for her to avoid being negatively judged as dirty by people who come into her home. She understands that people make snap judgements based on appearances rather than on her character when she states, "that moment when people come into my house".

The analysis of the data also revealed that when parents purchase branded trainers and clothes for their children to make sure they are not bullied at school, that this is also an action aimed to reduce the negative embodiment of poverty and thus to reduce or avoid the negative judgements of others. Parents feel a whole range of highly damaging negative emotions as severe as 'nervous breakdown' or 'depression' when they cannot ensure that their children have the necessary material goods to keep up with their peers (see section *Emotional Reaction to Social Exclusion).* But having the means to purchase those goods makes the parent 'feel better', as Hannah explains:

> "So I would be sending them to school with jumpers without logos, but all their friends had logos and they would ask why they don't have them. But in the last three years, they have been able to have it and they don't feel left out as an individual. But to know that they are going to school with school logo jumpers and new shoes and socks and the right PE kit in the right PE bags makes me feel better because other children will not be picking on them for what they don't have. In a way, it makes me feel better when I send them to school that they're not being judged as a person just by what they are wearing. When I am walking down the road, and they have a nice pair of trainers on, or a nice pair of shoes, people will not look at their feet and say, 'they're out of date'. Instead they're probably thinking, 'I wonder how she afforded them, or she's got her kids dressed nice'."

In the same way as Sarah, Hannah also mentions twice that these actions will make her "feel better". She feels better because her children are not left out, because they are not being negatively judged by their school friends. She also indicates a level of pride that her children might be positively judged by strangers when they are walking down the road in their nice trainers or shoes. Her last comment, 'she's got her kids dressed nice' suggests that there is an element of conspicuous consumption and performing of the 'good mother' taking place whereby how her children are perceived reflects well, or badly on the mother and acts to avoid feeling ashamed. But it is important to note that despite the 'good mother' concept, fathers felt the same way in the sample as the mothers. Mark feels the anxiety and stress as strongly as a mother, as he describes:

Mark:	"The kid will come and ask, Dad, can I have a haircut, and I feel bad saying no. I stress more than what she does."
Me:	"Do you lose sleep over it?"
Mark:	"Yea, I do. Because I am constantly thinking, shit, how am I going to do this, how am I going to give them a good Christmas, how am I going to do that. Where are we going to get the money from this time? I'm always constantly thinking about ... my mind is constantly going overtime all the time."

Mark goes on to describe how he did not have a good upbringing and felt bad that he did not have the things everybody else around him had growing up and how he does not want his children to feel like that. Jason felt the same way, and this is the same as the mothers in the sample.

<u>Being on Benefits/Unemployed</u>

Being on benefits caused some participants to express shame. Sarah stated that "I feel like scum because I'm on benefits", whilst Chris said that he felt "less valued". Others indicated that they felt shame due to being unemployed, rather than specifically on benefits, as June explains:

> "I think that if people know you're not working, you get looked down on. That makes me feel like I want to put my head down in shame. I tried keeping my head up as much as I could, I did have my bad days."

She relates the desire to 'put my head down in shame' as a consequence of being looked down on by others, even though she tried to keep her head up. The shame was internalised and imposed upon her by others.

Feeling low self-esteem and suffering increased levels of depression was also reported to be a result of being un- or under-employed as Danielle states:

> "I would happily do full time work if childcare costs were to come down, because mentally, it's good for you. It's good for your self-esteem. When I wasn't working, that's when I suffer from depression the most."

She goes on to describe that work makes her feel less depressed because she is not dependent on handouts, that she is paying for her rent, 'contributing to her own self and what [she] brought into the world'. This appears to be an internalisation of the message that it is the responsible and right thing to pay for your own way in the world and not depend on the charity or handouts of others.

The analysis also demonstrated that some participants, instead of internalising the shame, resist it and feel upset or angry instead. Niki feels this way and believes that people should not be judged for how they look but for who they are. She explains:

> "She really upset me because I thought, you don't even know me. You're judging me on something based on how I look, not how good a parent I am. You don't know me, my daughter or my circumstances, so I think, that's my only thing, how other people perceive you….. I was like, how dare you judge my daughter, just because we are on benefits. I ended up having an argument with her, and I said, your kid bites other children, hits them, spits at them, and my daughter has respect for other kids not to do that, so realistically, you're judging my daughter because she hasn't got Clarks shoes on. You buy your daughter Clarks shoes, but you can't teach her how to behave. My daughter knows how to behave. So what if she hasn't got Clarks on. She's got shoes on, she's cleanly dressed, she has no bugs in her hair, she does as she's told, she can respect other people, does your daughter know that, well no, well then you shouldn't judge people just by looking at them."

The concepts of shame and stigma are not equally felt by all participants but there are three broad groups. Firstly, the largest group in this sample are those who grew up and continue to live on a low income and live amongst others in similar socioeconomic situations. They are aware of being looked down on but do not feel particularly stigmatised. They did not talk about stigma directly. They appear confident and in control, if they have access to credit. Without it, they lose control and suffer from highly negative emotional states. However, with credit, the feel positive about what they achieve for themselves and their family.

The second group, which amounts to approximately ten per cent of participants, is comprised of people who are on a low-income after having been wealthy. They found it a considerable struggle to accept having less as Alicia explains:

> "And once you've had quality, you can't go back. Or going back feels terrible."

A third, but smaller group demonstrate that living on a low-income in an area of relative wealth felt uncomfortable due to the judgmental comparisons of those who have more money as Courtney states:

Courtney:	"It's just like, especially at my last address, which was quite stuck up, it was really bad around there, which is why I'm glad I moved."
Me:	"How did they react to you?"
Courtney:	"It's the way they stuck their nose up and give you a weird look as they walk past. Did they do that to the kids as well? They give them the weird look and that, but it tends just to be more the adults."
Me:	"How did that make you feel?"
Courtney:	"Annoyed, angry."

This suggests that narratives around the stigma and shame of poverty may be impositions from a middle-class worldview that does not understand the reality of living on a low-income. This understanding comes from the fact that those who knew wealth, such as Alicia, feel terrible being on a low income. But Jason, when questioned about how it feels to live in poverty, answered:

> "I don't know because I've never felt how not to feel (in poverty). For me, living like this is the normal. I wouldn't call this poverty; I'd call it my life."

His response was more in line with the majority of the sample who grew up on a low-income and live among people of the same income demographic. For him it's not living in poverty, its normal life and nothing to be ashamed of but with plenty to praise, for example, the wealth of community and family.

However, whilst the shame of poverty may not be internalised, it does produce anger and the social exclusion of it creates highly negative emotional states. To be judged by others as less than deserving, scum, and a 'dosser' because of being on a low-income is an emotional assault which adds insult to injury.

Conclusion

The low-income injuries, shame, and risks of financial and social exclusion described thus far empirically evidence that the factors which create ontological insecurity, as defined in the section *Low-Income Injuries,* are evident in the lives of the participants. I have demonstrated through the analysis of the data that life on a low-income is ontologically unstable and the reasons which create this are outside the control of those affected. This makes it difficult for them to form a strong sense of self and/or social identity, and therefore generates the highly negative emotional responses which were listed under the dimensions *Financial Exclusion* and *Social Exclusion*. The exclusion is addressed through stage two of the theory, which is the *Material Purchase of Emotion*. This is the second stage of the theory which shall now be discussed.

CHAPTER 7 - Findings Chapter Two – The Material Purchase of Emotion

Stage 2 – The Material Purchase of Emotion

Findings chapter one presented *Addressing Exclusion,* which is the first stage of the three-stage theory. It presented the negative emotional state which is produced by being financially and socially excluded. In this chapter, I present the findings which underpin stage 2 of the theory *The Material Purchase of Emotion*. I contend that the emotions act as a mechanism by which a person is motivated to act in order to produce an improvement in their emotional state. These actions are aimed at transforming the negative emotions of stage one, into positive ones, through the material purchase of goods, facilitated by credit. I will delineate how access to responsible credit facilitates this. This stage is divided into similar dimensions as those presented in *Addressing Exclusion* in stage one. The first is the financial dimension, which looks at the *Consumption of Credit* which details how it made participants feel to be accepted for credit and the specific processes Moneyline employ which have a beneficial effect on the participants. The second is *Material Consumption* which explains the underlying emotional motivations of the participants which drove their purchasing decisions and demand for credit.

The Consumption of Credit

As explained in chapter one, financially excluded people are unable to access financial services from mainstream, and sometimes not even sub-prime, financial providers. This produces devastating emotional consequences. Within the consumption of credit, the serendipity of finding a responsible credit provider and the impact this has on its customers is explored to understand how this differs from other forms of credit. The contribution the consumption of credit makes to ontological security is also explored.

People find out about Moneyline when they have a need for credit, and it is usually due to local knowledge or by chance. At that point a source of responsible credit suddenly becomes available. This offers the opportunity to reduce levels of financial exclusion and enables the financially excluded to consume credit on more reasonable terms.

People discover Moneyline when they notice a leaflet or see one of their branches when out shopping. Local knowledge is a result of social capital, for example a friend or family member who has experience of the company passes on the information to somebody who is struggling to access credit. In this way social capital works to reduce the cost of credit for people on low incomes. This increases their economic capital by increasing their disposable income through the reduction of the credit premium. But it also serves to completely modify the way credit is consumed and the effect it has on consumers. However, because the overwhelming majority were looking for any type of available credit, rather than responsible credit, the theory is called FINDING ontological security, rather than the SEARCH for ontological security. However, once found, participants ensure they maintain access to it by ensuring they maintain repayments due to its transformative effects, which I shall now describe.

Positive Consumption of Credit

Analysis of the data reveals that customers have an overwhelmingly positive experience of consuming credit through Moneyline. They are considered to be a 'good' organisation as Amanda affirms when she states:

> "It's the best company I've used in my whole life. I'll always stick with them forever, they're that good."

They are recognised by the participants as being one of the only organisations that will help people on benefits to get loans, and as a result, they tell others about Moneyline. Jason contends:

> "They should give people on benefits more of a chance of getting loans. I don't see anybody out there to help benefit people other than Moneyline. That's why when I see people on Facebook, because 9 times out of 10 people on Facebook aren't working, they're on benefits, so first thing I do is tell them about Moneyline if they need a loan. I think they are a good company."

Participants value the organisation and praise the loan agents and the organisations processes highly. There is a deep sense of gratitude for Moneyline as demonstrated by Tiffany when she says:

> "In those ways, I was so grateful that they could lend to me in the first place, because I know if I went with Lending Stream, I would have been able to get it, but I would have had the stress, knowing I would have to pay back over a grand, and it would have taken me a longer time."

There are two properties that gratitude stems from. One is financial and the other is social. They are interlinked because the former facilitates the latter, therefore it is an artificial, but useful exercise to separate them out into distinct properties. Financially, people are grateful because using Moneyline removes financial pressure and worry. The loan agents are pleasant and treat participants with dignity. Participants describe how using Moneyline removes the financial struggle that causes them to make difficult choices between buying the important things they want, or buying sufficient food and utilities, as Hannah explains:

Hannah:	"If I had to do that without having that loan, we would have struggled one week and that wouldn't have been fair."
Me:	"When you say we would have struggled, what would that have looked like?"
Hannah:	"Hmm, food wise, I would have had to cut back on my shopping I would have to put less on my gas and less on my electric. Being a mother, you don't want to have to do that and cut back on your shopping because you need a pram and you have no other support. It's helped me massively."
Me:	"Is that what you would have done?"
Hannah:	"You would have done it but you would have cut back on food."

People frequently expressed that they were saving significant amounts of money compared to other sub-prime providers who charge more as Amanda evidences below:

> "The interest rates as so low compared to Provident. You're not paying like, double the amount back, so it does not feel like so much of a worry."

Socially, people are very grateful for the opportunities afforded to them by access to credit. Phrases such as 'I can never repay Moneyline for what they have done', occurred frequently in the data. There are examples where borrowing money from Moneyline enabled people to pay for a funeral, a pram for a baby, a wedding, and quite a few people moved to a new house. These appear to be 'worthy' uses of credit if one attempts to apply socially sanctioned morality onto loan purposes. But as worthy as these things seem, providing Christmas presents for children appeared to be no lower down in social significance for participants as it meant that they were able to fulfil their role as parents. This is something that the participants say feels terrible when it is not possible.

The data demonstrated that there was tendency for young people in the sample, before they had dependents, to become over indebted. This proved to have a negative impact on their credit rating which makes it difficult for them to access mainstream credit when they then have children and larger expenses, or businesses they are trying to run as Alicia explains:

> "I couldn't get access to credit cards even though I had my own business because from a very young age, I completely destroyed my credit rating. So I've always had trouble….it's just I can't get credit."

But the analysis demonstrates that access to Moneyline improves people's credit rating, and opens further avenues of credit which consequently can reduce some elements of the poverty premium as Christine describes:

> "But since being with them, my credit rating has gone up, I can get a contract phone now. I couldn't get that before. I can have it all now. When I was younger, I was awful, I'd get contract phones and not pay them and stuff like that. By going with Moneyline, it's enabled me to pay for things monthly, they can check with your bank, and see that my DD's go out on time, and I never

> cancel or miss a payment. And that's upped my rating. Since having that loan I can do a lot more."

By being able to get a contract phone, Christine will be able to access cheaper rates for her mobile telephone rather than having to use a pay as you go service, which is one source of the poverty premium. She attributes using Moneyline to be able to pay for things monthly, which is another way people can reduce their poverty premiums. By ensuring that her direct debits are always up to date, her credit rating has increased. All this has resulted 'since having that loan'.

People give Moneyline the credit for being able to increase their standard of living by improving things in the house and being able to have a holiday as Dave demonstrates:

> "I'm sorry to say, it was horrible, and it still is, being on benefits, but without Moneyline, I wouldn't have what I have now in the house. I wouldn't have carpets. Every year, I've done something with the money, and improved my standard of living, improved in the house and things like that and it's been tremendous."

Dave compares the negative way being on benefits feels with the tremendous way being able to improve his standard of living feels. He states that none of it would be possible without Moneyline.

Other participants describe how Moneyline enables them to socially participate and join in with others as Christine describes:

> "My sister in law was looking into going, and I was thinking, can't go, don't have no money, and I went to Moneyline, and they gave me some money towards the caravan and that was great."

In this way, we can understand that the gratitude comes from Moneyline's ability to help people meet their material and emotional needs by supplying credit when nobody else will, or, sub-prime providers do on prohibitive terms that increase, rather than reduce financially induced stress, worry and anxiety.

However, the depth of feeling for some, went beyond gratitude and spilled into a very complex emotional relationship with Moneyline which elicited phrases which indicate the development of ontological security. Some participants referred to Moneyline as their parents as exemplified by Sarah:

Sarah:	"They are there when I need them. They are like a parent."
Me:	"You feel like they are like a parent?"
Sarah:	"Yea. I haven't got my mum no more, she passed when I was 17. I've got my dad still. He does try and help, but you just need that…I just ring Moneyline up, can I come in for an appointment and they book you in straight away."
Me:	"You're not the first person to say they are like a parent."
Sarah:	"Yea, they are, they are. They are like a parent. You say, I need this money, and they're like, there you go. There's the money, just pay us back £20 every week."

Here we can see the link Sarah makes between not having a mother, and the way Moneyline replaces some of the role a mother might play when lending their daughter some money. She phrases the repayment to Moneyline in the informal terms that a parent might use when she says, 'There's the money, just pay us back £20 every week', rather than the formal contract she has with Moneyline. She admits that her Dad is alive and does try to help, but that Moneyline replaces some of the emotional connection she is missing from her mother when she states, ‘He does try and help, but you just need that…I just ring Moneyline up’. The pause after the ‘you just need that’ followed by ringing Moneyline up indicates that Moneyline provides an emotional connection through lending money when times are hard, that even her father cannot replace in the absence of her mother.

The parental terms indicate just how deeply felt the security Moneyline provides is, and how it replaces the security that they feel their parents should give them, but do not. That feeling of running to a parent when you’ve run out of money to help you out in a pinch is not available for some people and is attributed to Moneyline instead. This creates a feeling that is akin to parental.

The emotion is so deep that it is referred to as love. Amanda evidences this when she states:

> “I love them I do. I’ve recommended them to my mum, my sisters, everybody. Sigh, I do like them, I really love them actually.”

What is interesting in Amanda’s quote is the use of the sigh, and the correcting of like with love. The affection for the organisation is analogous to that which is felt for a much-loved family member. Danielle takes this one step further and directly equates the love she has for Moneyline with the love she has for her mother:

Me: “Do you worry less about money? Knowing that Moneyline loans are there?”

Danielle: “Yea, I suppose I do yea. It’s that safety thing isn’t it, knowing it’s there if you need it. It’s the same as my mum. Moneyline and my mum,

> they're both…I could go to either one of them. Because my mum said, last time I got a loan, next time, ask me, so you're not paying the interest rates. But you don't always want your mum to know everything do you. I love Moneyline as well."

Danielle indicates that 'safety' is the feeling that Moneyline offers which causes her to metaphorically refer to Moneyline as her parents. Chapter one demonstrated the many areas of the participants' lives that are insecure and unstable and we can see here that Moneyline provide a sense of safety which is hard to find elsewhere. Other phrases that came up in the analysis that indicate ontological security are 'lifeline', 'lifesaver', 'private support network', 'backbone', 'saviour', and 'security'.

This section established that using Moneyline provides a positive experience of the consumption of credit for this group. The following section looks at the specific processes and procedures employed by Moneyline which contribute to the positive experience and deep connection enjoyed by its customers which lead to the described sense of ontological security.

<u>Moneyline Processes and Procedures</u>

The data indicated that there were several specific processes and procedures involved in the way Moneyline provided credit that contributed to the deep sense of gratitude and ontological security participants expressed. They include imposed structures such as the use of direct debits for repayments and automatic savings with delayed access to those savings, flexible repayments and repayment holidays in times of financial difficulties, transparency, lower interest rates than the available alternative forms of credit, reliability, being local, the use of bonuses and incentives, and convenience. Participants also discussed the importance of their customer first approach, and minimal administrative processes. The rest of this section explores these features in more detail.

Imposed structure

This sub section looks at the techniques used to Moneyline which create a structure which is imposed on customers which is the use of direct debits, automatic savings and delayed access to those savings.

Direct Debits

One of the ways Moneyline create certainty is by using Direct Debits to enforce repayment from its customers. The Direct Debit is timed to come out of the customer's bank account on the day or the day after income is paid into it. Most participants stated that it was only after the direct debits had been withdrawn that they consider spending the rest, and that this prevents them from otherwise spending their money and not being able to repay the loan as Elizabeth explains:

> "When I set my direct debits up, I pay them on the day that I get paid. It's not as if I get paid, and then two days later I am scheduled to pay them. Because otherwise, I would have spent the money. I might have spent it on shopping or food. So I make sure that every Monday when I get paid, my direct debit goes out. So it goes out before I see the money and I know that I've got that much money left then."

This demonstrates that the timing of the repayment is as important as the fact that it is done automatically.

They become habituated to this process and do not miss the money as Douglas states:

> "Because you have an amount of money coming in every Monday, and this goes on week after week after week and they take their chunk out of it, ….you're conditioned to it, you don't miss it, and it's gone before you can get at it."

Participants stated that if the repayment was not taken using a direct debit that they would struggle more and that would cause an increased risk of default or late payments for the following reasons:

1. Having to leave the house increases the chance that the bill may not be paid.
2. They might not know where payment had to be made.
3. There is a temptation to spend the money on something else instead.
4. There is a temptation or procrastination not to pay the bill on time.

Using direct debit technology removed any thinking necessary to repay the debt, making it easier for people and reduced their cognitive burden, as Hannah indicates:

> "If they come to the door, and you've got that money in your hand, you've got it there and you're thinking, shall I pay them? Or shall I tell them I can't afford to pay them? Because it's money there in your hand. You've got that money. But Moneyline, it's gone. I wake up, log into my bank, and they've already taken the payment. You never get a chance to see that money. There is no worry of even to make a decision of should I or should I not pay Provident. You

> don't get yourself into debt that way. And you think about the consequence AFTER you've made the decision. But with Moneyline, you don't even get the chance to contemplate that decision. Like my mum said, you don't even realise that the money is coming out. That's like really good. Because if you had that money in your hand, you'd just take it and spend it. That's why I like them as a loan company because it takes away that negative thought of being able to take that money back."

Hannah goes on to explain that paying by direct debit reduces the stigma of borrowing that takes place with doorstep lenders, because it reduces the risk that people can hear that you are borrowing money, especially when you cannot afford to repay:

> "I'm really glad I went with Moneyline, because I don't see them. They don't knock on my door, it's not one of them situations where you sit there and wonder if the neighbours can see the Provident knocking on the door, they've got the books in their hand and people know that you've had a loan."

Other reasons given for avoiding the use of doorstep collectors were because; they do not want people to know they have had a loan; loan agents do not always turn up to collect the payment which creates debt problems; because it is too tempting to keep the money, because they do not want children to answer the door and say 'there's a man at the door for money';, because some loan agents are intrusive, rude and aggressive, and because the loan agents do not care.

In this way, the direct debit acts as a tool which not only protects dignity but imposes discipline. This contributes to the sense of ontological or parental security described above whereby the service is compared to the love of a parent who does not shame but imposes boundaries and discipline.

However, it is not fail-proof as Moneyline does have customers who default on their loans. Christine explains:

> "I have friends who were like yay I've got all this money, and then just cancelled the direct debit. I don't know why."

There will always be people who will not pay, but this may be a short-term strategy which increases the likelihood of financial exclusion in the future. Those who repay and those who keep in contact with Moneyline, even when they cannot pay, are more likely to retain their access to credit when they need it.

Automatic Savings and Delayed Withdrawals

An additional component of the direct debit tool is the 'round it up' feature whereby Moneyline partners with the Royal Bank of Scotland and offer customers the opportunity to 'round up' their loan repayments and divert the extra into a savings account. For example, £30 might be collected by direct debit for a loan repayment of £27.50. The extra £2.50 would be put into the savings account.

The savings were often earmarked for different purposes to the loans. They were most often used for birthday presents, for the Christmas food (whist the loan was for Christmas presents), spending money for holidays, school trips and unexpected expenditure or emergencies.

Participants appreciate this feature because they find it difficult to save by themselves. It is too easy to withdraw the money from a high street bank and they would never put the money back even though they promised themselves that they would. This was repeated by most participants. The reasons they gave for not saving was that there is always something essential the money gets spent on instead, that it is too tempting to spend the money, that they spend all the money they have, that sometimes when you do manage to save you get penalised by the benefits agency for it, that there is no point in saving if you need the money now, and that it is easier, safer and more logical to borrow the money instead. Elizabeth explains:

> "If you're saving it yourself, it's there, you can just go and spend it. But if you're paying somebody back, it's gone into their bank, you can't just go and take it off them. You've got to pay it back. I find that much easier as well. My mum always says, why do you take out these loans, just save it yourself and then you're not paying any interest. But I end up spending it, and in the end, I haven't saved anything, you know!!"

Despite the analysis demonstrating many reasons why it is more logical to borrow than to save, Moneyline customers were very happy that they had managed to save through the round-it-up scheme. Many said that they managed to save for the first time, and that this money was a useful contribution to their budget. Christine's excerpt shows the positive emotional impact saving has:

Me:	"Could you ever save before you started saving through Moneyline?"
Christine:	"No. I've never saved."
Me:	"How does that feel?"
Christine:	"It feels good having something to rely on, not just a loan either, my money."

Christine expresses a pride in having 'her' money, as opposed to borrowed money. Something she has built up to rely on. In this way Moneyline are contributing to a positive sense of self. Sarah shows that without round-it-up she would not be able to save.

> "I'm not very good with saving, but saying that, I'm saving with Moneyline. But that's because they take it out of my bank, into a different bank, and I don't see it. That's probably why I can save. If you saved that £20 yourself, it's too easy to get. You'd just walk down the road and get it out. But Moneyline way, it's not worth getting it out as it takes too long."

Sarah's excerpt highlights four features. Firstly, she is not good with saving. Secondly, the reason she is successful with saving through Moneyline is because of the automatic deduction of the money from her account, thirdly the diversion of it into a different bank reduces its visibility, and finally, the time it takes to withdraw the money creates a barrier, in contrast to the immediacy of 'walk(ing) down the road and get(ting) it out.' Hannah describes how the withdrawal process to get your savings through Moneyline imposes a structural barrier to spending it compared to saving in a high street bank:

> "If I was saving it myself I can go to the bank and just draw it out. I would say to myself, I'll put it back when I get paid, but you've never put it back, because I couldn't afford to do it. So why did I do it in the first place? And I ain't going to put the money back and it gets to the point that you haven't saved any money, whatsoever. But with Moneyline savers, you don't see it. So you can't go to the cash point and you can't draw it out. You physically have to ring them for them to send you a letter so you can sign, so you can get it out. Sometimes, I will sit here and I'll think, we ain't got no money, enough to buy this, shall I ring up? But then I think it's going to take a day for the letter to come, then you have to sign it and then send it back. By the time that's all happened, you're due to get paid again. So it's a case of, you don't need it, so don't get it out. And then it will gradually build up and build up. A few times, I've rung

> them and I’ve asked what’s in my savers, and I’ve been surprised how much is in there.”

This extract highlights several dimensions which featured in the accounts of many participants. Firstly, they have instant access to their savings in a high street bank which they find problematic. They withdraw their savings with the intention of replacing them when ‘they get paid’, but because of constant financial insufficiency, they find that they never do. There is then a questioning of why they took out the money when they know they cannot afford to put it back later which is apparent when Hannah says ‘so why did I do it in the first place?’. The cyclical nature of saving a little and spending it because of always having no money means that in the end, the desire to save has been ineffective and nothing has been saved. This process is then contrasted with saving through Moneyline who provide an opposite approach to that just described and results in successful saving.

The key feature that makes saving with Moneyline successful, is that ‘you don’t see it’. This reduces the temptation to spend the money because many people have said that they ‘forget’ that it is there. Another element is that there is no cash point or bank to withdraw the money from. The hardware necessary to withdraw money in the conventional way is removed. The process to withdraw the money is sufficiently time consuming and convoluted. It involves telephoning Moneyline to make a request for withdrawal, then waiting for a letter to arrive to sign requesting the same and sending it back before you can get your money. This time delay is enough for participants to ‘not bother’ and instead, wait until they are paid again. As a result, they end up generating some savings because it ‘builds up’.

The properties of Moneyline’s processes may explain why some participants refer to Moneyline as their parents. Certain features are reminiscent of a parental relationship wherein money is a proxy for love and care because it provides the support, both financial and emotional, necessary for people to meet their social and emotional needs. At the same time, boundaries are imposed such as delayed access to saving. The regular but small repayments are appreciated by the participants because it stops them from acting against their own self-interest.

Flexible Repayments and Repayment Holidays

As described under *Imposed Structure,* the direct debits ensure that repayments are made in a routinized way, on the day income comes into the account before it can be spent on other items. However, there are times when income and/or expenditure fluctuates. Moneyline offers its customers penalty free flexibility to manage the income and expenditure volatility that is common to people in the bottom 5 percent of the income distribution. Donna explains how this works in practice:

> “With me being ill as well, they’ve changed me over from DLA, to PIP and disability allowance to ESA. They’re messing me about, and they’re not giving me any payments. I’ve not paid a penny off the new loans, and I’ve had it for 3 months. They don’t push you, you just explain, and they say they will give you a pay holiday.”

This demographic frequently encounters income volatility due to benefits being changed from one system to another and due to employment churning. They also experience unexpected income shocks which are not exclusive to this income demographic such as family changes, lost wallets, unexpected bills etc. But they do not have the financial capacity to manage these changes which could, in the absence of Moneyline, create highly stressful situations. The analysis of the data demonstrates that Moneyline are an understanding credit organisation which helps their clients manage these difficult financial situations by offering repayment flexibility. As long as clients get in touch with them, they offer understanding and compassion and provide payment holidays, reduced interest, and restructuring of loans, with no penalty charges. The participants say that this level of understanding removes all worry because it removes the pressure and they feel safe and ontologically secure. Payment flexibility, as well as being treated with understanding and compassion for their circumstances, contribute to how responsible credit creates ontological security as Dave clarifies:

Dave: "If you default a payment, you can always ring them up. If you got into a circumstance where something happened, say your benefits stopped, I can just ring Moneyline and say what's happened, and when I know why I'll discuss this with you. They will thank me for letting them know. It's knowing that you can go to somebody, tell them what your loan is for, they'll ask if your circumstances have changed, and if not, there's no problem in getting a loan."

Me: "So would you say that gives you a level of security?"

Dave: "It does. It does yea."

Participants frequently contrasted this approach with the negative experiences of other sub-prime financial institutions who responded to default with aggression as Jason explains:

> “If you’re stuck they (Moneyline) help you. At the moment I have missed two payments with Moneyline. Instead of sending dirty disgusting letters to my door, they ring me. “Aww, are you having trouble, is everything ok, can we come and help you?” They are like friends more than anything. Yeah, they’re like friends.”

The aggression from previous lenders made customers feel insecure. This is in contrast to the security felt by Moneyline’s approach which is kind and caring.

Transparency

Another feature of Moneyline that induces ontological security in participants is their level of transparency. Moneyline send regular receipts so people are made frequently aware of what they are paying back. Customers feel like nothing is being hidden and that they always know how they stand financially regarding their loan. Some have contrasted this with the lack of transparency they experienced with Provident as Hannah explains:

> “You never got no letters to say how much you had left. You couldn’t ring them and ask them. The people who were meant to fill in the books, sometimes they never did that. So you were always unsure. I feel that with Moneyline, they always inform you, no matter what. Whether that be by email, by letter, if you don’t respond to an email or that, they will always send you a letter, if you don’t respond to that they will send you a text. They will always tell you that your former loan will come out of your new one. They will always tell you that there is a fee. If you want it the same day, they will tell you what the fee is then. They will also tell you the fee if you don’t want it the same day. So it’s not a case of you don’t know. They will always tell you. No matter how many loans you’ve had with them, they will always tell you the same things.”

Unsolicited Loans and Rollover Loans

According to the analysis of the data, Moneyline do not appear to have a policy of encouraging roll over loans or unsolicited loans. Participants expressed appreciation for this because they felt that loans were not being forced on them whereas competitors did force loans onto them. These loans were very difficult to refuse due to being on a low income. Hannah explains:

Hannah: "And you're like, well hang on a minute, you're (Provident) basically forcing it on me, obviously somebody is going to turn around and say yea, they want another loan, IF you're offering it to them. Whereas Moneyline, it's entirely up to you. If you ring up and you say am I eligible for a loan, they will always tell you if you are. It's not like they're forcing it on you. It's not like they say, oh, she's only got £20 left to pay on that loan, let's just ring her and see if she wants another loan. You ring them. You ask them if you are eligible."

Me: "So they never offer a loan?"

Hannah: "Never. They've never rung me and said, oh by the way, you've nearly finished paying your loan, you're eligible for another one, do you want it? You will always ring up if you think you could do with a loan."

Participants understood that companies encourage repeat loans or roll over loans in order to generate additional commission. They were not happy with this as it put them in a cycle of borrowing that was difficult to get out of, and severely reduced their ability to repay primary creditors as Wayne explains:

Me: "What about the doorstep loans?"

Wayne: "I stopped them. The trouble is with them, you'd have £100 left on a loan and they'd say, oh you can have another one, and you'd get another one while you're paying one back. So that's doubled your payments to them, and then they'd offer you a third and a fourth one, and before you knew it you were paying all your money to them and

> not getting owt back. It got to that stage yes. So I told them I couldn't afford to do it, and I said, just send the account to the debt collector and I'll pay it off. I've never had that bother with Moneyline. That's the problem with Provident, they come and they say, you can have another loan, because its commission based, they get money to do it as well. The more money they get off you, the more money they're getting. It was a bad thing to get into really, as I was just paying them all my money and not being able to pay my bills."

Another complaint about the rollover loans is that by the time the arrangement fees are paid, and the previous loan is repaid out of the second loan, you never get the full amount borrowed and can end up in financial difficulties as Simon illustrates:

> "I started off small, borrowed £100, but you don't have to pay the whole loan back. You can top it up with another loan, they just want to see regular repayment history. So I borrowed £100, paid back £60, then borrowed £200, but how these companies work is that you don't have to wait until you've paid back the full loan. But there is an arrangement fee for each loan, so you take out 20 percent, and some of the loan gets used to pay off the first loan, so you never get the full amount and you do that three or four times in a row. Before you know where you are you're getting half the money. You're borrowing £500, but you're only getting £250. You haven't just got to pay off the loan you've got outstanding, but the interest that goes along with it."

The data contains frequent comparisons between Provident and Moneyline which were used to demonstrate how reasonable and caring Moneyline are. It led to a feeling in participants that their wellbeing mattered more than profit and was another feature that contributed to the feeling of trust and security.

However, there were three instances in the data where Moneyline loan agents had contacted customers to offer them loans. The loans were often large with a long repayment period of over a year. Whilst they were affordable at the time, changes in income or expenditure rendered them unaffordable and were currently causing difficulties for the customers. Leslie explains that the only negative they could identify about using Moneyline, was the practice of ringing up and offering unsolicited loans:

Me:	“Are there any negative things about using Moneyline?”
Leslie:	“Yea, they shouldn’t ring up and ask you if you want to top up your loan. They should wait until you’ve paid it all off. They shouldn’t ring you up at all unless it’s about payment. That’s like dangling a carrot in front of a donkey, it is. Especially when you’re on benefits as well. Who’s going to say no, really. Anybody who says they wouldn’t is a liar. You’re not on a massive income, and then someone’s standing there saying, I’ll give you £800. You think, (this is how everyone thinks) I’ll get it, I’ll pay it back by Christmas. It will be fine, it will be fine it will be fine. The reality is that it will not really be fine. At all.”

Leslie identifies that she would prefer not to be offered another loan until her current loan is completely paid off. This is consistent with Simon and Wayne’s criticism of doorstep lenders who encourage roll over loans as you never end up with the full amount and you end up paying interest twice. Like Wayne, Leslie finds it problematic to be offered an unsolicited loan and when she states that it is like “dangling a carrot in front of a donkey….Especially when you’re on benefits”, she is identifying the irresistible temptation to take the money in the face of a low income. She believes that almost everybody in the same situation as her would take it, believing that it will be fine. This has parallels to the participants who intend to replace their savings but find that they never do. The analysis of the data appears to indicate that the opportunity to have money now, is stronger than the belief that it can be replaced or repaid later.

Christine highlights that if Moneyline did not do this, that she would not have taken out the loan until they had an actual need for one, and as a result, they are missing out on the opportunity to try and manage their finances without loans.

Me:	"Have Moneyline ever contacted you to say you're eligible for another loan?"
Christine:	"Yes. When it's about a month before I've finished paying the loan up, they'll ring me up and say do I want to come in and reapply. I think once or twice I've said I'm going to leave it and I've left it a couple of weeks before I go in."
Me:	"If they didn't, and you just paid it off, do you think you'd forget and leave it until you really needed it?"
Christine:	"Probably yea. You would forget about it, but when they ring you, you think yea, I do need this, I do need that, and you start to LOOK for things you want, instead of look for things you need. If you had that 70 quid repayment going into your account for a few weeks, maybe you would see if you could get on your own two feet then."

Christine's excerpt shows that by offering unsolicited loans, Moneyline are encouraging people to take out credit where they might not have otherwise. There is an inherent imbalance of economic power between the organisation and the customer whereby the organisation uses the economic vulnerability of the client to increase their own economic power. This is no different to commercial credit providers and the evidence in the data suggests that where it does occur, it is not appreciated.

Yet despite these instances, the respondents in question still felt that Moneyline was a good finance institution and had plenty of positive things to say about them. However, this represents a negative dimension to Moneyline's service which people are too impoverished to turn down. It keeps them indebted for longer and reduces the opportunity for people to try and manage without a loan.

Price

The price of the loan is its interest rate. A Moneyline loan has a rate that varies between 180 and 271 percent (according to the slider on their website https://www.moneyline-uk.com/ as of 9.03.2019). This is a high interest rate. However, the analysis of the data demonstrates that whilst the majority of participants believe that the interest rate is low, such as Sarah who states “I know that it’s that low that I’m not bothered”, there is a subjectivity to this as others, such as Danielle, consider it to be ‘quite expensive though’. Many participants are comparing the price of Moneyline credit to the other providers available to them who charge more and in that context, the price seems fair as Amanda explains:

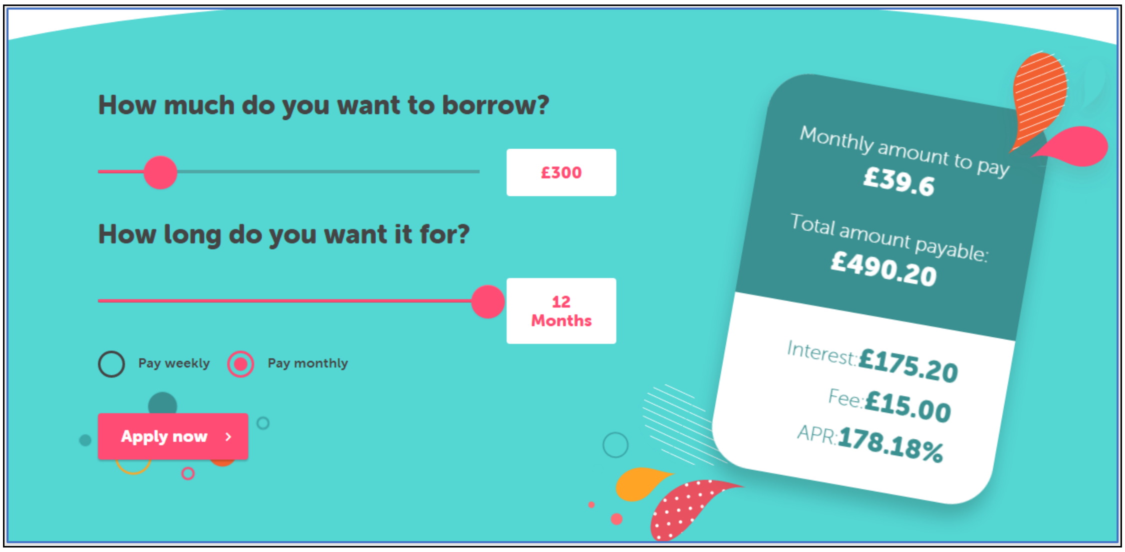
Me: “Do you feel that the interest rate is fair?”
Amanda: “Yes I do yea. Reasonably fair considering how much everybody else charges. I would definitely say that.”

For some, the interest rate of the loan was unimportant. They were more interested in how much the weekly cost would be, and on that basis, judged whether it was affordable as Simon states:

> “I’m not bothered about the total amount to pay back, it’s whether or not I can commit to paying out a certain amount every month for a long period of time.”

There was some misconception regarding the cost of the loans. Wayne believed that he only pays £50 in interest on top of a £300 loan paid back over a year, when in fact, the total interest excluding fees is £175.20 according to Moneyline's online calculator (accessed 23.01.2018).

Figure 3: Example of Interest Payable on a Loan from Moneyline



However, he quite rightly estimated that Provident wanted double (www.providentpersonalcredit.com - accessed 23.01.2018). The total to pay with Provident for a £300 loan repaid over 52 weeks at the time of writing was £561.60.

This led customers to the conclusion that it made more financial sense to use Moneyline rather than Provident as Wayne states:

> "I'd rather go there and get a loan out than a doorstep lender or anybody else, because the rates are so cheap, that it makes financial sense going there."

The analysis demonstrates that affordability, however it is conceptualised, is important.

Credit unions offer cheaper rates than Moneyline, but they are not generally used, usually, because participants did not know about them as Laura exemplified when questioned about credit unions:

> "I've never heard of them."

However, they are also confused it with international money transfer companies as Elizabeth demonstrates:

> "I thought credit union sent money abroad and things like that. I don't even know if there is one in my area. I thought they were companies for Pakistanis to send money abroad and things like that."

Another barrier to credit union use is the requirement to save first as Wayne explains:

Me:	"When you found Moneyline were you in the situation where you were in a mess or had you paid it all off?"
Wayne:	I think I had half of it to pay off when I found Moneyline. I went to the local credit union and they said you have to save up with us first to get a loan."

In his quotation he tells us that he went to the local credit union before he went to Moneyline, but the requirement to save first was a barrier to their use which was resolved by finding Moneyline.

However, the data demonstrates that access to credit is ultimately more important than cost and this affects people's perception of the cost of the loan. For example, Courtney pays a significant amount of interest back on her loan of £800. She repays it over 52 weeks. According to the Moneyline website as of 23.11.2017, she would pay an additional £430, plus her fee of £40, on top of the loan, making it more than 50 percent of the initial loan amount. She says of the interest, "I'm not sure how much I pay, it's not much." Andrea, who has borrowed a similar amount states that 'it does not bother me the interest at all'.

Another feature of pricing which customers appreciate is that it is fixed and the total to pay is understood from the loan's inception and will not change, as Tiffany explains:

> "I do feel that Moneyline are the best and the cheapest. Because you know up front what you're going to pay and it will never change, you know where you stand. There's never any 'they've added more interest' and they've added a fee, you know what you're paying from the start."

Affordability

Regardless of whether participants considered the interest rates to be expensive or cheap, the affordability of loan repayments, that is, the actual amounts paid per week or month, was often mentioned. The affordability of repayments made participants feel that Moneyline cared about their financial security and emotional wellbeing by ensuring that they could not borrow more than they could afford, rather than trying to maximise their borrowing regardless of the impact on the individual. Margaret demonstrates this when she says:

> "I only have what I feel I need. And £37 a week is reasonable. It's affordable. And that's the word. Affordable. And that's where Moneyline has got it spot on. They have got it spot on. It's to stop people taking on more than they can afford."

Moneyline ensure affordability by adopting face-to-face income and expenditure checks. Most of their customers would fail an electronic credit score check, so this is an individualised way of assessing how much is possible to lend to the applicant. They only lend what they asses the customer can afford. This generally works very well and the majority of respondents report that they meet the repayments easily and have improved their money management as a result. A common phrase that is found in the data is 'you don't miss what you don't have'. This explains how participants manage to meet the repayments without facing difficulties in providing food and utilities. However, additional non-credit money saving strategies were employed to achieve this. These include only heating rooms being used, using cheaper shops such as Farm Foods and B&M, and buying reduced price food close to the expiry date. The constant effort to reduce food spend explains, in part, the fairly common practise of doing a bigger food shop and purchasing some food-based treats when there is money left over from the loan.

However, the income and expenditure check process has drawbacks. There are people who manage to hide expenditure from the loan advisor as Donald describes. He has an enforced payment on car finance that he pays by payment book, so it does not appear on his bank statements:

> "So those loan repayments are going to be paid up in about 8 years. I didn't put that down in my Moneyline expenditure because I knew that I could afford it. So, there are certain times that I don't tell people because I look at it that it wasn't my fault, and I'll get penalised for that."

And the process does not consider the fluctuating nature of income and expenditure. This can create difficulties when it produces significant variations which can make repayments unaffordable, as Danielle discusses:

> "You see, they try to make sure that it's affordable, but of course, you don't know what's coming up."

Karen describes how the reduction in income when her oldest children turned 18 was not planned for or anticipated across the two-year repayment term:

> "Hmmmm, it's just because I'm struggling at the moment, because two of the kids are 18 now, so I don't claim for them, money has gone down. So when I took out the loan I was ok, but now, my money has gone down… but it's finding the £50 a week to pay it back."

Another tool Moneyline use to ensure affordability, as well as to test credit worthiness is to only lend small amounts for the first loan, and then engage in incremental lending once a pattern of successful repayment has been established. This serves the purpose of enabling a customer to prove their credit worthiness, but it also enables the borrower to slowly get used to repaying larger and larger amounts of their income to service repayments over time. This has the effect of allowing a customer to get used to managing on less disposable income in gradual increments so that they do not feel it as Kelly describes:

Me: "When it first came out, did you find that you had to make any cutbacks anywhere to afford it?"

Kelly: "Not really because it was only about £5 or £10 a week. It was something really low for £250. So in a way, you gradually get used to paying more. Then when you go to £500 then maybe it goes to £20 a week, you don't miss that because you got used to the £10 a week."

Whilst incremental lending permits a borrower to slowly get used to ever increasing loan repayments over time, for some borrowers, this can result in repayments that are too large to service comfortably if an adverse life event occurs which disrupts their finances. And as was explained in stage one, there are many disrupters in the lives of a typical Moneyline customer which can cause this and interrupt their financial and social sense of security.

It has been established that Moneyline are non-judgmental. They reinforce the message to customers to contact them in the event of financial difficulties so that they can help them. However, some people continue to struggle making larger payments than they can afford because they do not want to lose access to credit in the future or because they believe that they will pay higher interest rates as a result. Others regret having to reduce their payments because they are now no longer able to get another loan for Christmas as they are still paying off their former loan at a negotiated rate of £5 a week. This puts them back into stage one of being financially excluded and they are experiencing negative emotions as Mark demonstrates:

> "And then, we was[sic] paying them back at a lower rate so we are not going to be able to get a loan, so it's going to be a bit more of a struggle this year… are they (his children) going to be happy with what they've got? I'm always constantly thinking about ... my mind is constantly going overtime all the time."

Most participants find that the affordability of Moneyline credit creates opportunities. Credit gives customers an opportunity to make meaningful decisions about their lives, thus increasing their agency. The following example demonstrates this concept as this couple borrow from Moneyline to be able to move into safer accommodation.

> "That loan was for a deposit to move from a council place to private rent because I had been in a relationship with a man who became addicted to drugs, and although I left him, we had people knocking on my door for him, and it was constant hassle for the kids. So we wanted to move, to get a deposit to move."

This is an opportunity that would be unobtainable if they had not had access to credit to raise the funds for a deposit. This would have left them stuck in a house that had constant reminders of the past which was becoming increasingly difficult to tolerate and having a significantly negative impact on the lives of the children. They were able to transform this situation by way of the loan.

The participants use the loan tool to 'afford' an opportunity that they would otherwise miss for lack of funds. The concept of 'affordancy' makes the large beneficial social impact of credit clear. In most cases, the consumption of credit empowers participants, giving them control, and a sense of agency. This is reflected in participants' body language, how they describe their situation before getting the Moneyline loan and after. It is a positive stepping-stone to getting the life they want. It provides them with agency, power, choices and reduces feelings of powerlessness.

Reliable

Reliability was important for customers. There was an inherent understanding, a knowing, ontologically, that Moneyline would help them if they were in trouble. The participants rely on Moneyline. They KNOW that Moneyline will help them if they either need money, or cannot afford to repay as Jason explains:

> "But if I didn't have a Moneyline loan at the time, I would have rung Moneyline and asked to borrow £200 for uniform because I know they'll help me. That's one of the BEST things about Moneyline. They are there when you need them and they'll help you."

There is no ambiguity in Jason's statement. Repeated past experiences of borrowing with Moneyline has proved to him that they ARE there when he needs them. He KNOWS that they will help him.

Local

Moneyline are mainly branch based although they are currently rolling out a national telephone service.   Their local proximity is positively viewed as Margaret states:

> "And it's good that they have local offices. Because I went to Birmingham, and it was a sod to find it. Local is good."

Another benefit of being branch based is the marketing effect of having a visible shop front. It increases their visibility for an organization which does not have the marketing budget of a national commercial sub-prime credit institution.

Convenience

The elements which make Moneyline convenient, such as Direct Debit repayments, local branches and easy applications, mean that for some people, particularly those who are employed, even though they could access cheaper loans elsewhere, the convenience means that they keep returning to Moneyline instead. Kelly describes how this works in practice:

> "All my stuff is on record so they ask me, is everything the same, yea, go through the paperwork, no hassle, in and out. It's easy. With the others, sometimes they do credit checks, so to go out of my way, and sit for an hour in a loan place to know at the end I might not get it, it's just a bit of a waste of my time."

Customer First Approach

Moneyline have a customer first approach that customers appreciate. Participants mention the friendliness of staff, as well as their caring, helpful and non-judgemental attitude as Dave expresses:

> "I call it the friendly bank."

Participants describe how pleasant it is to deal with Moneyline. In much of the literature on working class credit such as doorstep credit, this feature of lending has always stood out as important. But what has come out of the analysis of the data from my sample is that they feel that the main UK doorstep lender does not appear to operate on that friendly social and relational basis anymore, but use aggressive lending and debt-collection practices instead.   Furthermore, participants have talked about being harshly judged for being on benefits or a low-income and how angry this makes them feel. They describe how they are talked down to.   They express pain and feelings of worthlessness when they are declined loans. In this context of widespread negative treatment, being treated nicely, like you matter, like a human being worthy of respect, has a large impact on my participants.

The analysis also demonstrated that Moneyline's non-judgemental attitude was important to participants as Meghan explains:

Me:	"So tell me about your relationship with Moneyline staff? Yeah, what's that like? Is that important?"
Meghan:	"It is important, because if you went in there, and you thought that they were judging you, you wouldn't go in there. You'd say, no, I'm sorry, no. But like, they are really friendly, I don't find that they've judged me, they've been really nice, and they help you out a lot."

Good Customer Service

The customer first approach is appreciated by respondents who often fail to get this from financial institutions. Consequently, it makes them feel 'comfortable' as Tiffany explains:

> "I feel with Moneyline though, with their customer service, they treat everyone the same. You know you can ring up to some companies and how they talk to you and everything??? Moneyline, it's how they talk to you, and I don't feel they judge you because I need a loan. I feel comfortable going in and speaking to them. Another loan company, I don't think I'd feel as comfortable as I do with Moneyline."

Feeling comfortable reduces barriers to applying or reapplying for loans. This contrasts with companies who make their clients feel bad, and then lose them as Jason demonstrates when he cancelled his loan with Wonga and returned the money:

> "I've had a loan off Wonga, they spoke to me like crap. So I cancelled that loan and gave them their money back. I didn't spend it. Their money was still in my bank when I rung them. These loan companies need to learn customer service properly because Moneyline have got their customer service bang on. All the time."

A Valued Customer

Customers feel valued and respected. Donald shares his experience:

Me: "Do Moneyline make you feel more valued as a person?"

Donald: "I've always been made welcome, even when I'm not taking a loan out. You know, you go in, have a chat and everything if there's nobody there. So yea, I don't feel it's done on purpose to make you take a loan out. I think it's, they're friendly because they want to be, and that's

> important, that you feel valued as a customer. But also as somebody popping in for a chat. I think that's really nice, the way that they do it. Some places, it's horrible the way you get treated, but I think it's really good the way they treat you."

Being treated well, able to pop in for a chat, and not in a horrible way as Donald says he is treated by other companies contributes to him feeling valued as a customer. He feels that it is genuine care, and not done in order to encourage more borrowing. This has a big impact because many participants described often being spoken down to and given very little dignity or worth as Jason demonstrated with his experience with Wonga. Additionally, Jason (and his friends) found doorstep lenders to also treat him negatively:

> "I have had loans with Provident. I found them disgusting. (yeah, I do - from a friend in kitchen) Really disgusting. They talk to you like shit. (yea, they do – from a different friend on the side). They don't want to help you out. (They decreditize you as a human being – from the first friend in the kitchen). They decreditize you."

After such stigmatizing experiences with sub-prime credit providers, it is clear to see how valued a customer might feel when they use Moneyline and are treated in a humane and dignified manner.

Moneyline Sort Out Problems

Another attribute which contributes to creating a feeling of ontological security for its customers, is that Moneyline sort out problems. There is a knowing that they will do their utmost to help you if you are experiencing a financial problem and as Amanda says:

> "They'll sort it out so you don't have to".

Relationship Lending

Moneyline engage in relationship lending using face to face contact between loan agents and applicants. The relationship lending model creates a personal connection or a bond between the customer and the organisation, and customers then feel an obligation to repay. The loan agent makes the participant feel as if the company cares which creates loyalty. Douglas explains how the relationship model works:

Douglas:	"I think with Moneyline, if you're behind, you have to have a conversation with a person, it's a person who is talking to you, and telling you that they understand, and how it's not a problem and how they can move it onto the end of the loan."
Me:	"So did you feel that you had a relationship with them?"
Douglas:	"Yea. So you felt, in your thoughts, every week, you thought, you must make sure that there's enough money in the account. Your money is coming in on this day, and the arrangement is that we will take your money out as it comes in. But if there is anything that goes wrong with it, they seem to have the ability to deal with it on a personal level. That must make people feel good about them, and more likely to pay them, or make the effort or the provision to pay them."

Douglas' reference to how Moneyline's ability to deal with customers on a 'personal level' which generates goodwill is indicated when he states that it 'must make people feel good about them'. He explains how this good will is translated into an increased likelihood of repayment due to the personal connection they create, and how they treat their customers when things go wrong.

This section, *The Consumption of Credit*, has investigated how this group of otherwise financially excluded low-income participants positively consume credit. It describes how participants deeply appreciate and value Moneyline's caring and responsible processes and procedures. The imposed structures help participants overcome the problem of insufficient money and the resulting inclination to spend, and Moneyline's transparency, good customer service, customer first approach, price, and relationship lending model make participants feel secure and valued. The next section, *Material Consumption,* will explain the strong emotional drivers of credit, and demonstrates how important the goods purchased with credit are to the participants in addressing social exclusion.

Material Consumption

The types of goods, such as Christmas presents, holidays, home decorating, purchased using loans were identified in the section *Financial Exclusion* in findings chapter one. Through *Material Consumption* we can begin to understand why these purchases are important, and how they contribute to the development of ontological security for participants and, where applicable, their families. This section is structured by the motivating factors which cause people to take out loans such as love, compensation, social acceptance, feeling better and satisfying the determinants of parenting. The strong emotional impact caused by the purchases explicates why people borrow at high rates of interest, rather than go without. The rest of this section will go through the motivating factors in turn to explain their role in the demand for credit.

<u>Love</u>

The analysis demonstrated that there is an emotional need to demonstrate love that is enacted in a practical level through the material realm. Money is spent in ways that express a relationship. It is not only found in gift giving at Christmas, which featured heavily in the data, but is also found to be the root of loans that are taken out to put in the bank, or for decorating the house. Decorating the house, for example, is not an obvious love-expressing activity, but the data does bear this out to some degree.

The data revealed that some participants cannot countenance not spending money on those they love. Remembering or imagining a time when they could not do so inspires the strong negative feelings delineated in stage 1 in *Addressing Exclusion – Social Exclusion.* This demonstrates that the emotional benefit derived from buying gifts for family or ensuring the house is decorated to a liveable standard, for example, is very high. And if it could be quantified, the value placed on the emotional benefit derived from the use of the loan might be higher than the interest paid on it. This corresponds to Weber's assertion when he writes:

> 'If somebody lends money to a household and demands interest, this is to be seen as the lender securing 'an additional amount because his creditor is in a

position to expect benefits from the use of the loan greater than the amount of the interest he pays; when, that is, the situation is seen in terms of what it would be if he had to do without the loan' (Weber, 1978:96).

Typical responses to how people would feel if they could not afford to buy Christmas presents or decorate the house to a certain standard appear extreme and include feelings of depression, upset, devastation, disappointment, worry, feeling 'crap' about themselves, guilty, letting others down, embarrassment, horrible, useless, guttedness, shitty, bad, a failure, and miserable. Jason describes how it makes him feel when he is unable to demonstrate love in action through the provision of material goods gifted at Christmas. He is representative of the sample when they are in the same situation.

Me:	"How did that make you feel when you couldn't?"
Jason:	"Gutted… I get really down and really depressed and I get depressed now if my kids ask me for something, and I can't give it to them. I feel gutted and I start ringing people so they can lend me money. Half the time, that bloke in the blue top, I ask him, can you lend me some money so I can get something for me kids, and he says, "yea, come up". Moneyline for me is like a friend, because they are there for you when you need them. (He gets teary.) I do cry, I cry a lot. I get low, I get gutted. I really hate it when I can't get them things…."
Me:	"How did you feel the Christmases that you couldn't get your kids stuff?"
Jason:	"Gutted. Really gutted. Really gutted, upset, peed off."

Gift Giving

Most of the gift giving in the data is from parent to child in the context of Christmas. The majority of people in the sample did borrow money to buy Christmas presents for their children. Couples in the sample would exchange a gift, but it would be low in value and more of a token gesture. Birthday gifts were much smaller in nature and not considered as much of a priority. As well as being a consumption norm, love was a strong motivator of gift giving. This was not a particularly easy concept for people to describe as Courtney evidences:

Me:	"Do you think there is a link between love and giving gifts?"
Courtney:	"Yea. It's too difficult to get the words out, but I do think there is a link. I've got the answer in my head, it's just hard to word it. Obviously, I wouldn't give presents to just anyone, but I can't get the words out."

Courtney is unable to articulate what she is thinking. This might indicate that she may be acting from a subconscious rather than conscious process when engaging in the consumption norm to purchase large amounts of presents for her child at Christmas. But the key part of her answer is where she states that it is 'obvious' that she 'wouldn't give presents to just anyone'. This demonstrates, according to Courtney, the clear link between love and gift-giving whereby people spend significant amounts of money on those they love and they feel the need to demonstrate that love through gifts. This is a driver for credit. In contrast to Courtney, Jason clearly articulates the link between his purchases and his desire to demonstrate love:

> "I wanted to show them that I do love them. And they're not just there, they're there because I love them and I want to buy them things."

He makes the assertion that he wants to buy his children things because he loves them and when he cannot, as we have read above in this section, he has a severe and negative emotional reaction which drives him to resolve it as soon as possible, including ringing his friends up to try and get funds quickly.

Jason and Simon both express how they want their children to know that they are special and loved. Both explain that they suffered from emotional and material deprivation growing up and want their children to have more than they did. It explains why it is important to them to give high-value gifts to their children. For example, last Christmas, Jason gave his children high-value and high-status gifts including

> "3 mountain bikes - brand new from Toys r Us; 3 tablets – Samsung - brand new: Argos. Two bigguns had phones - iPhone 5s."

There are several important features in Jason's description that show that the gift giving is about more than just the items, but that the goods are special, just like his children are special to him. He could have said that he purchased three mountain bikes, three tablets, and the eldest children had phones. But he is clear to point out, twice, that the gifts are new. This is important because he has never been able to do this before and thus, it makes the gifts more special and fulfils his need to communicate to his children that they are special and loved. He also tells me that he got the presents from 'Toys r Us' and 'Argos' which are well-known high-street brands. This might indicate a level of pride in being able to buy from such shops as he is used to giving second-hand goods and buying second-hand clothes. This also increases the special nature of the gift. It is comparable to Hannah's experience. She heavily stresses the importance of buying new compared to her experience of buying second hand. She emphasises that her children's presents came from ‘a proper shop, it’s all new’. This is similar to Alicia, who as we saw in the previous chapter, never believed, due to a poor credit rating, that she could buy something from a good high street store such as ‘Dreams’. She described how being able to do so made her feel “more valuable”.

> “Yea, you feel, yea definitely, it’s a little boost to your self-esteem. I’m important, I matter that little bit. I’m good enough.”

In the same way, because we know that Jason wants his children to know that they are special and loved, purchasing from a high street store demonstrates how much they matter to him, how valuable they are and how important they are to him.

Simon gave two pristine £50 notes to his daughter on her 18th birthday. He states earlier in his interview that £100 is a huge amount of money for him, so much so that he gets giddy, almost drunk like if he has that much in his pocket. So, to give this sum to his daughter represents an enormous gift that symbolises his love for her and how special she is to him. He emphasizes that the notes are ‘pristine’ which further emphasises their value which is like Jason’s insistence that the tablets he bought were ‘brand new’. This is a common theme in the data. Some people did buy second-hand goods and a minority were happy to do so, but most were not, and when they managed to afford something new, it held much more prestige and they felt much happier about their gifting efforts.

Giving second-hand gifts is often laced with worry and the feeling that it is not good enough. Shame and distaste are expressed in the way participants talk about buying their children second-hand gifts, or second-hand prams. It does not feel right to some of the participants. They do it because it is preferable to their children getting nothing, but the majority are not happy about it. There is a real sense of pride and achievement expressed in being able to buy children something brand new and on several occasions, this made respondents cry with the overwhelming emotion of it. Recalling those interviews was very emotive for participants and me such is the care and love expressed when describing the motivating factors for their material consumption.

Hannah exemplifies the positive emotional state buying new goods creates and contrasts it with the 'emotionally draining' feeling that accompanies buying second hand. She calls it a 'different sort of feeling'. She is worried that her children will be disappointed with second-hand gifts and that this will reduce their joy when opening their presents. She fears that the child will notice the scratches, that the laptops and phones might not work and she fears that she may be handling stolen goods. All these factors contribute to a sense that it is not fair that their children receive second-hand goods for Christmas. This causes substantial emotional fatigue, as exemplified in Hanna's talk:

> "I was thinking, my daughter is getting second-hand stuff for Christmas, and it's not fair. All that was emotionally draining because you were thinking they deserve better. Since having Moneyline though, it's like, yes, I can afford to go and buy that, yes you can have a laptop, or yes, you can have a new bike. And it's brand new and out of the shop. When they open it, you get that different sort of feeling, knowing they're opening something that is brand new,

> compared to opening something that is second hand. Before, you'd worry if when they open it they say something like, oh it's marked, or there's a scratch there. I'd worry that the laptop screen would go black, or if it was a nicked laptop and that the police might call at my door asking for it back. And then my daughter is going to be devastated that they've taken it, and then I'd have to try and find a replacement…. even after Christmas, and you shouldn't have that worry after Christmas. You should know that that product is going to work, and is going to last them for a while, but it wasn't."

> "But now, it's brand new, and they open it and their eyes light up. It's a different feeling. So in that aspect, yea, it's a lot less worrying to know that you've got that little bit of security there. They've had it out of a proper shop, it's all new. It's just a different feeling altogether. You feel a lot more confident and a lot happier that they can open something that they wanted and that it's new."

It can be seen from the above excerpt that love is expressed in a desire to give new things to one's children and in general, it causes a negative emotional reaction that is draining when parents are unable to do this because they believe that their children deserve better. They compare it to other children who get new presents and love motivates them to try and ensure that their children do not have less than others.

However, the desire to buy new lies on a continuum. Whilst most participants lay on the 'buy new' side of the continuum, a few did not see the sense in buying new goods and stated that their children were just as happy with second-hand goods as new ones. Laura explains:

> "I paid £20 for my kid's phone second hand. An iPhone 5c he got. He was chuffed with that. We're not paying 5/600 pound. He loves it, he does."

The analysis demonstrates that people have a hierarchy of newness. Some people feel that it is important to buy new household furnishings, or new games, for example, but not new electrical gadgets. This could have something to do with the functionality of the item. A second-hand bed or sofa does not feel comfortable. A second hand boardgame may have pieces missing. But a second-hand electrical item, such as a phone, often works as well as it does if new. Some participants are therefore judging the utility of the item versus its worth and have less of an emotional reaction and more of a practical outlook on it. However, this represented a minority compared to those who felt driven to purchase brand new items from high street stores as gifts.

An important observation from the analysis is that the feelings that borrowers are working to change are generally their own feelings, rather than the feelings of the people they are purchasing for. For example, June, uses the pronoun 'I', and also explains the guilt *she* would feel if she did not purchase presents. She also makes the claim that by not engaging in consumption norms, i.e., 'do what everybody else does', that *she* would be letting her family down and even goes so far as to say that although it has never happened, she *imagines* that this is how her family feel:

> "I feel like, that I don't show that I do love them, (if she does not buy them Christmas presents) or that I don't appreciate them, and they kind of look at me like, why haven't you bought something. I can tell that they will be thinking that. That hasn't happened, but that's what I imagine they'd feel."

Barbara demonstrates the function of gifts as an expression of love and their role in maintaining family relationships, by her refusal to give her daughter and grandchildren gifts following a breakdown in the relationship between them:

> "Yea, when my daughter was talking to me, I was buying stuff for the kids for Christmas, because there are a lot of kids to pay for. But she does not even let me see them now so I don't send nothing you know. It's her loss not mine."

Expressing love through giving presents, although more frequent due to the composition of the sample, is not exclusive to parents toward their children. There is evidence in the data that adult children also express a desire to demonstrate love to their parents, to the point of sacrifice through material gifting, as Tiffany explains:

Me:	"Would your mum have preferred not to get the lazy spa rather than you being in debt?"
Tiffany:	"Yes, definitely. She shouts at me when I bring her presents. But the way I see it, my mum's parents have both passed away, so she's only got me and my sister and step-dad. So as silly as it sounds, even though she's my mum and she hates it, I buy her anything because I don't want her to go without. I'd rather buy her luxury items and me go without. She was having a go at me at Christmas because I was buying presents she knew I couldn't afford, but I don't want my mum to feel that she's just got us. She's happy with her life, she's got a good job, but I want her to have the things that she's given me."

It is evident in Tiffany's example that there are many reasons why she feels the need to purchase luxury items for her mother even though she 'couldn't afford' them. She has a sense of wanting to 'give back', to repay her mother for 'the things that she's given me'. Also, Tiffany explains previously how she has suffered from depression and her mother has been her rock. She does not want her mother to experience lack or 'go without', and earlier in the interview she describes how her mum 'does not buy anything for herself' and has 'put a roof over our heads'. She also says that even though she "could [be] worrying up to my eyes in debt…having that comfort off my mum completely changes that worry." So together with her sister, she bought a £1,000 lazy spa for her mother, and paid for it on credit. This is despite already being so far in debt (£6,000 in debt with credit cards) that her mother is cancelling the annual holiday to help her pay for her daughter's debts. This shows that the need to demonstrate love through gifts is also a strong driver of credit even for people without dependents.

Providing Happiness

Happiness is another dimension of the property of love under the category of material consumption. This includes the desire to provide happiness, and the pleasure received in doing so. Happiness was understood as achievable by giving people what they wanted as Courtney makes clear:

> "I want to make the kids happy and give them what they want."

For some, the roots of wanting to ensure their children were happy came from having good childhood memories themselves which they want to replicate for their children, and this was associated with having received plenty of presents as a child as Elizabeth indicates:

> "But when I was little, I always had good Christmases. I always had what I wanted from my mum and dad, even though they are divorced now. I always had really good memories. When we woke up, we'd have loads and I think, I want to do the same for my children. It's not their fault. They didn't ask to be born having stupid parents. So I just want to make their life as happy as what my childhood was when I was little."

We can see from Elizabeth's example that it is the good memories and happy childhood that she wants to give to her children. This involves providing abundant material goods because ‘I always had what I wanted’, which was ‘loads’ of presents and she feels that it is unfair to them if they do not have what she had.

Not being able to make your children happy resulted in the negative feelings demarcated in the first stage of the theory, and the findings demonstrate that parents will go to extraordinary financial lengths, including taking out high cost loans, to try and avoid those negative feelings as Mark’s example evidences:

> “If Moneyline turned around tomorrow and said, you know what, we’ll give you a two-grand loan, you’ve got to pay £250 a month, I’d say yea. Yeah, I would. Even though I’m on my arse, I’d still do it, just because I want everyone to be happy, the kids and that.”

He is prepared to be ‘on his arse’, which means to have no money for anything else and implies a huge financial sacrifice for the rest of the year to ensure his children’s happiness.

Protection

Another expression of love is emotional protection. People appear to protect their loved ones from the negative emotions that arise from relative poverty, especially when it causes bullying and the feeling of not fitting in. It is painful to see your loved ones suffer, particularly your children, and participants buy the necessary goods to address the causes of bullying to mitigate the worst effects of it regardless of the cost. It is clear in the analysis that the items parents bought at Christmas for their children were motivated by a desire to ensure that their children fit in. They bought branded clothes and shoes, and status items so they had the same things as other children, thus avoiding or stopping the bullying because 'they know what children are like' or that 'kids can be cruel'.

The data demonstrated that many participants had experienced bullying at school and they remembered how shameful and horrible it felt. They did not want their children to feel the same. Jason described the bullying he received during the first two years of secondary school due to material deprivation. This led to him becoming violent and fighting back resulting in expulsion, and subsequently, reduced educational attainment, thereby reducing his employment opportunities. His adult reaction is to purchase status phones and Nike trainers for his children, and he acknowledges that it is a direct attempt to halt some of the embodied effects of intergenerational poverty thus preventing his children being injured in the way he was.

Me:	"Why are the brands important to you?"
Jason:	"Because of their friends. I don't want their friends to take the piss out of them like my friends used to take the piss out of me when I was a kid. Because I never had branded stuff and all my friends did. All my friends' parents could afford to go out and buy them whatever they wanted. My parents spent their money on themselves. I used to wear baggy trousers at school, and I used to get the piss taken out of me every day, all the time. I used to get bullied all the way through school."

We can see that Jason directly correlates his negative experience of material deprivation which led to bullying to the reason why brands are important to him when he says that it is 'because of their friends'. This demonstrates that he believes that his relative poverty was the source of his bullying, and he is attempting to prevent this for his own children through the use of symbolic and cultural material goods. He then describes how he does not want his painful experience to be repeated for his children, which demonstrates that he is attempting to disrupt the intergenerational transmission of the embodiment of poverty, as he is unable to address the causes of poverty itself. He relies on Moneyline loans for his purchases which is why Moneyline is so important to him. Moneyline help him to meet his and his children's social needs and therefore reduces the negative impact of social exclusion.

However, not every participant was so self-reflective, and Danielle acknowledged that it was important to purchase branded shoes for her son, although not her daughter, which was not something I managed to really get to the bottom of because she did not understand it herself. However, regarding the importance of branded shoes in general, her boyfriend realised that it is a subconscious process:

> "Well you know from experience at school, the kids at school without brand name stuff get picked on and bullied and stuff like that, obviously, that's subconsciously in your mind anyway, you always have that subconsciously there, that if you take your son to school and he's not got branded stuff, is he going to get picked on?"

Danielle's boyfriend's statement demonstrates that the purchase of branded shoes is related to protection for the same reasons as Jason. But as their child is only 2 years old, and unlikely to be bullied it does not appear to be a rational thought out process as it is in Jason's case. Instead it would appear that they are operating from a pre-conscious state where they intuitively understand the significance clothing has in terms of relative poverty, and the implications of it for bullying, and the expression of love. This then motivates them to purchase branded shoes using Moneyline loans.

Another aspect of protection was evident in the analysis of participants who used credit to make repairs to the house or decorate it. Making sure that the house had carpets in, whilst multi-dimensional, in part, was to ensure that the child did not get splinters in their feet, and to feel the warmth of the home. Danielle mentions that if she was not able to do this, that her mental health would have declined. This demonstrates how important this act of provision is to her, and access to credit makes this possible.

Me:	"So if you couldn't have got those carpets, how would it have made you feel?"
Danielle:	"Shitty really. The floor, especially when you've got kids, you want them to be able to put their feet down in the morning and feel the warmth. You don't want to feel like they're going to get splinters in their feet. So if I wouldn't have had the carpet, I suffer from depression anyway, I think my mental health would have declined. Because things like that get on top of me."

Danielle recognizes that being unable to protect the physical needs of her children induces depression. This is linked to 'satisfying the determinants of parenting' which is discussed further, later in this chapter.

Another dimension of protection was the desire to protect family members who cannot save. Barbara, who has terminal cancer, borrows out of love to protect her partner because he cannot save. She takes responsibility to make sure he (and her son) have what they need should anything happen to her:

Me: "So, what I'm trying to understand is why you put it in the bank rather than going to Moneyline IF you needed it."

Barbara: "Well, the thing is, with me, I'm a cancer patient, and if anything happens, because he (the husband) couldn't save to save his life, then there is money there if anything goes wrong. Because it's my car like, up there, it's a new car, if anything goes wrong, he's got money to fall back onto."

Barbara continued to make it clear how it made absolutely no sense to her way of thinking to save the money up for this over time. She felt it was worth paying the interest on the loan in order to have it in one lump sum. This may be linked to participants' inability to save as explained in '*Automatic Savings and Delayed Withdrawals*' in section one '*The Consumption of Credit*', of this chapter. Also, having terminal cancer means that she may want the security of having the money in one lump sum now, as the implication of her diagnosis means that she has an uncertain future. This aligns with the idea of developing ontological security in the midst of ontological insecurity.

Hannah highlights the parental motivation of love and protection when she states, 'I'd rather go without than let my children suffer.' To see your child suffer causes a parent pain and oftentimes, the parent endures a double dose of suffering as they feel their own pain as well as that of their child. As Hannah states below, it causes worry, and it's a worry she will not accept.

> "They won't grow up and look back at how they were picked on for not having. I won't have the worry of that. You see it on TV, people want to take their own life because they are picked on."

Hannah is attempting to protect her children from the pain of being 'othered' and the extreme consequence of this which is suicide. As discussed earlier in this chapter, this also connects protection to the halting or avoiding of the intergenerational transmission of the embodiment of poverty.

Ensuring Family are Provided for

Another property of expressing love through the material is *borrowing for family members*. There were examples of people borrowing money 'in case' husbands or sisters needed it. For example, Niki puts money in the bank, in case her sister needs it for her wedding:

> "I said it's partly for my sister's wedding and it's partly for Christmas. Obviously, in case my sister needed some extra help for the last few bits. But she might not have needed the help. She might not have done, but I borrowed it on the basis of IF she did. Not on the basis of her needing me to have it. Because if she needed it, she could go herself."

Niki's example differs from Barbara's example above: she is not protecting a sister who she feels cannot manage by herself, as in Barbara's case, but merely wants to help if it is necessary. Niki gets herself financially prepared by borrowing so that she can step in "IF" she needs it, not because she needs it. If she actually needed it, she expects her sister to take out her own loan.

Margaret used the money to ensure that her husband had access to all that he needed when he was terminally ill, including equipment and holidays. She would 'never see him go without', and she was 'never, ever, going to let him down'. These statements reflect the depth of love that is being expressed through the material that, due to an insufficiency of income, can only be satisfied by using credit.

Satisfying the Determinants of Parenting

According to the analysis, a property of *Material Consumption* is *Satisfying the Determinants of Parenting* whereby parents feel that there are certain things that they need to do to be a good parent, including the purchase of material goods. When somebody is unable to do this, it generates negative feelings. They feel that they would be 'bad' parents, a 'failure', that it is 'hard', makes them feel 'disheartened' and 'upset'. They feel 'crap', 'devastated', 'terrible' and 'useless'. They feel 'worried' that they 'can't provide' and this leads to increased feelings of 'depression' and 'mental breakdowns'.

In contrast, Jason describes his elation at providing a decent Christmas for the first time and how special it made him feel as a parent. The point made here is that the focus is not on the feelings of the child, but the feelings of the parent. The pronoun 'I' is used seven times in this brief excerpt:

Me: "So when you were able to get them mountain bikes and iPhones, how did that make you feel?"

Jason: "I felt over the moon. I loved it man. And Christmas day when I saw their faces and what I'd got them, aww, it was amazing. (Both of us emotional at that point.) I loved it. I really did, love it. I've never ever been able to do anything like that for them and it just made me feel special."

This point is further emphasised when some participants admit that their children probably would not be overly upset if they did not get so much as Amanda shows:

Me: "What do you think it means to him if he couldn't have it?"

Amanda: "Uuum, … there are times when I'm like "mate, you can't have nothing this week, you're going to have to wait a couple of weeks". And he's like "ok mam". He isn't too bad. I don't think he'd actually be that bothered, I think it bothers me more than anything."

The emotions around the ability to provide for your children are very strong and form part of the participating parent's self-esteem and pride. The inability to adequately provide the material goods for their children which is commensurate with that which is normal for a child in the UK today was so distressing, that it brought a few participants to tears as Danielle's example demonstrates:

Me: "Is your personal sense of value tied to your ability to provide for your children?"

Danielle: "Self – esteem, pride. YEA, it is… which is what brought on the tears…yea and it's about to again. You know what, I'm holding it in."

An analysis of the situations which were most likely to result in participants crying during interviews demonstrated that they were linked to both the inability to meet their children's material and social needs, as well as when they succeed in doing so, such is the emotive nature surrounding the ability to satisfy the determinants of parenting. But even when parents are not driven to tears, the term 'devastation' is often used in this context Kelly exemplifies:

Me:	"How would you feel as a mother if you couldn't do it?"
Kelly:	"Oh I'd be devastated. I wouldn't be able to live with myself. I'd feel terrible."

The following is an extended excerpt from Sarah's interview that provides a good example of the logic underlying the demand for credit by a person who cannot provide for their child without it. It is broken up into sections for ease of highlighting in a step-by-step manner, the rationale explained by parents in the sample:

Sarah:	"If I couldn't get my daughter any presents it would devastate me. It would devastate me. That's why I get these loans."

Here, Sarah has made it clear that she gets the loans to buy presents for her daughter because she would feel devastated otherwise.

Me:	"Can you think why it would devastate you?"
Sarah:	"Just the fact that everyone else has got her something, other than me, her mum, especially."

Sarah goes on to explain that even though her child would receive presents from her extended family, there is a deep need to provide presents as a mother to avoid devastating feelings. This demonstrates that there is a deep desire to provide gifts from parent to child and that this is a determinant of parenting.

Me:	"Is it an expression of your love? Would you feel that you were not showing her how much you love her?"
Sarah:	"Yea. Even though it's not. It's giving something, it's not showing your love, your love is giving time and attention and stuff like that …. a toy

does go a long way in a child’s eyes. She’s only young so she would be happy with something cheaper. Sometimes I just give her boxes and she’s happy.”

Sarah’s response here appears to be contradictory. Firstly, she agrees with my question linking presents with love, but this is immediately followed by a denial and a fuller explanation of how she demonstrates love to her child using time and attention. But then she acknowledges that a material thing, a toy, is how a child would see love when she says, ‘a toy does go a long way in a child’s eyes’, thereby recognising the importance of giving gifts in order to demonstrate love to a child. She goes on to say:

Me:	“So, knowing that at that age they are happy with anything, you could spend £50 and she’d be happy, why do you still spend and buy much more?”
Sarah:	“I know she wouldn’t know any different from playing with a box to playing with a kindle, but I would know. It, it, it, it, it’s hard to explain, but I would know. It would make me feel like I can’t provide for my daughter.”

Sarah now confirms the earlier assertion made that the feelings that are being addressed are in relation to the parent’s feelings and not those of the child. The need to provide for your child, which is a determinant of parenting, is the root of the demand for credit in this instance. This is to avoid the negative feelings that would arise should it not be met due to financial exclusion. Sarah proceeds to more fully explain what being a good mum looks like:

Me:	“So it’s about you as a mum.”
Sarah:	“Yea.”
Me:	“So what does being a good mum look like?”

Sarah: "Being a good mum is giving your children love and attention. I know it's not buying things, but I just feel like, it is nowadays, it is today."

Sarah repeats her assertion that the determinants of parenting are comprised of giving children 'love and attention'. But she recognises that her understanding is that material provision is what society says is important, so she gives her child gifts in order to comply with consumption norms. Sarah explains that there are serious consequences of not complying with these norms such as being harshly judged by school peers, feeling relatively poor compared to other children, and being socially assigned to be in a 'poorer class' when she states:

Sarah: "You go to school and the kids will say, oh, you're in Poundland clothes, or kids can be very cruel to other kids. And that's what I don't want for her when she does go to school. I want her to have what other kids have, and not be put in a poorer 'class'."

Sarah has made a connection between the material aspects of what she feels is necessary to be a good mum, with the desire to protect the child from the negative effects of material deprivation, which includes bullying and being categorised in a 'poorer' class. She subsequently links this connection to her own experience of relative material deprivation growing up:

> "You've got rich kids at school and then you get….I used to be called Tramp and all sorts because I had a boy haircut and I had trackies on. But my mum and dad had three of us to provide for. We had stuff, don't get me wrong, my mum and dad worked to the bone. We had PlayStations, and all that, but sometimes, we couldn't have NIKE Airmax shoes, we had to have Hi Tec and the cheaper shoes. But the other kids would have Adidas and Nike, but we wouldn't."

Sarah's fears are related to her own experience of material deprivation at school where she was called 'tramp' amongst other things. She recalls when her parents could not afford the branded shoes that were necessary to fit in. Yet she acknowledges that she had the latest toys such as PlayStations 'and all that', meaning that there was a degree of material provision, and her lack of material goods were relative. Despite this, it still had a strong negative emotional impact on her, which she is keen to avoid for her child by using credit to purchase the necessary symbolic goods which will prevent it.

Me:	"How did that feel when you were growing up to have that?"
Sarah:	"It made me feel when I was growing up, I knew my mum and dad were trying, I could see that, but I was thinking, why can't I have them shoes?"
Me:	"Were you jealous?"
Sarah:	"I was jealous. And I don't want her turning into a jealous person because somebody else has got something better than her."

Sarah proceeds to describe the feelings this generated which was jealousy. She explains her desire to raise her child in a way that does not induce jealousy because of material deprivation. Being unable to provide a comparative level of material goods induces so much worry, that it exacerbates Sarah's epilepsy which is stress related.

> "If I couldn't get (my daughter) anything, it would depress me. I would get really down, and then I would be worrying and stressed, which then would lead to me having a fit (epilepsy)."

She then explains the impact borrowing from Moneyline has on her ability to provide:

> "Moneyline has made me feel that I can provide for my daughter."

Meeting Obligations

Meeting obligations is a further dimension of the *Material Purchase of Emotion* that relates to the reciprocal obligation to buy a gift. The data demonstrates that reciprocal obligations come from three sources which increase expenditure requirements. Firstly, the number of people you need to buy for increases the amount of money needed as Andrea explains:

> "There is now more people to buy for Christmas, we get a loan for Christmas. But because my partner is talking to his family now, we also have to get his step mum, his niece, his nephew, his sister, is other sister, his other nephew, there's 10 other people to buy for."

Secondly, the obligation to buy branded goods also increases expenditure requirements as Leslie demonstrates:

> "Because they're in high school, you're more obliged to buy makes because they will get picked on otherwise. Like, he has collection hats, snapbacks, but you feel more obliged to buy them."

Lastly, there is an obligation to reciprocate giving in order not to appear cheap, and that feeling like a cheapskate would generate negative emotions as Sarah evidences:

> "I just feel that if I didn't get them anything, they would think, aww, cheapskate over here, you know, we get her daughter and her something and she does not get us anything. And that would make me feel really low inside that would."

Compensating

Compensating is an additional property of *The Material Purchase of Emotion*. People compensate for not having many friends, not having status, not having enough material goods when they were younger, not seeing their children throughout the year, not having much growing up, and not having a dad around.

Wayne explains how he compensates for not having many friends:

Me:	"How does that feel to have a small social circle?"
Wayne:	"It gets to you, not having many friends to go out with. It would be nice to get out a bit."
Me:	"Do you ever buy things to make yourself feel better to compensate?"
Wayne:	"Sometimes I do yea."
Me:	"What sort of thing."
Wayne:	"Well I bought a new tablet recently, and things like that. Play games on the computer. Something to give you some breathing space now and again."

Wayne does not have many friends. This is something that is shared by some participants; mainly due to self-exclusion owing to a lack of funds to participate with. By buying electronic gadgets, Wayne can ease some of the loneliness that social exclusion generates.

Danielle exemplifies a third dimension of the property of *Compensation*. She describes how it makes up for not having things when she was younger, and she compensates for this by providing it for her children instead:

> "I think it relates to growing up and school and your experience. You know, if you had a certain brand of shoe, or you didn't have a certain brand of clothing and shoes, it's always that thing in the back of your mind, that you don't want your kids to be looked at like their less or something. I think it's because when I was a kid, my mum was on her own with five kids. She didn't have any money to get us anything. It was always no, I always heard no no no….So the kids, when they ask me, I don't say no, I just constantly say yea yea yea, because I remember how I felt when my mum constantly said no. You want to give them what you didn't have."

This dimension of *compensating* featured strongly in why parents bought gifts for their children.

Laura discusses not having much growing up and compensating for that through her son.

> "I never really had a lot growing up. So that's probably why I'm used to not spending because I never really had it. So I don't miss it because I never had it. But that makes me want to provide differently for my son."

There are examples whereby parents borrow money to be able to afford large Christmas presents to compensate for not seeing their children during the year. Reasons for this was because of difficulties with their ex-partner, or to compensate for their child's father going to prison, or because of finally gaining access to children following a separation. David explains how he makes up for all the birthdays and other celebrations in one go at Christmas because he does not see his children during the year.

Me: "So when is enough enough?"

Dave: "I couldn't tell you. Honestly. Never as far as I know. As much as I can get. Because it's only once a year, and it's the only time I spend with them at Christmas. Once a year you get to see them, so the family thing, so that's the only time I get to see them. I don't see them throughout the year because of problems with the ex-missus….It's the

	only time you see them, so as much as you can get you want to give them."
Me:	"If you saw them more through the year and were spending on them, do you think that you would spend less at Christmas?"
Dave:	"Oh yea, definitely."
Me:	"It's to compensate then?"
Dave:	"Yes, for the birthdays, Easters and all the in between holidays."

The Comfort of Home

Much of this section on Material Consumption has looked at the drivers for gift giving which include love, satisfying the determinants of parenting and compensating. We have skimmed over purchases in the home under *Protection*, but this section called *The Comfort of Home* examines this dimension of material consumption in more detail. It is nearly always linked to warding off depression which suggests that living in a clean, warm, adequately furnished home is a very important component of good mental health that if unattained, could lead to depression as Donald explains:

Me:	"Tell me why it's important for your house to look nice?"
Donald:	"I would not be very happy with that. Because I suffer with depression and stress anyway, that would make me feel even worse. I've always tried to have a nice home, even though I'm on a budget, and for me, it is very important that my home is comfortable, but it's got to be nice as well."

Donald makes a clear connection between his mental health and a nice home. Being on a budget does not preclude him from attaining his goal of a comfortable and nice home as Moneyline makes it possible for him to do this in stages. It consequently improves his depression and stress levels.

This sentiment is reiterated by Danielle who considers that necessities, such as a comfortable home, are the base from which everything else stems:

> "It is important to have the basic necessities in life. It's a starting point from which to do anything else after. Everything else stems from that."

The result of using credit to create a comfortable home is increased confidence and happiness as Dave explains:

Me:	"So, by having a nice house, does that go somewhat toward making you feel better about yourself?"
Dave:	"Yea, I've got more confidence, I've got a happier life."

Safety

Safety is a dimension of *The Comfort of Home*. There are several people who used Moneyline loans, combined with other sources of income, for deposits on other places to live. They wanted to move because they no longer felt safe in their current accommodation due to accidents, murders in the area, unwelcome people constantly knocking at the door but also needing to move to a larger home because of a growing family. To live in unsuitable and dangerous accommodation was a source of stress that people acted upon to remedy, as Niki states:

Niki:	"It was uncomfortable with people knocking on the door all the time."
Me:	"What would you have done at that point if you couldn't get the Moneyline loan?"
Niki:	"I would have had a meltdown. Because I really wanted to be out of there. I even contacted the police about the harassment, but they

> couldn't do anything. The council weren't no help because they said I had a perfectly good house. It wasn't about the money, it was about the fact that I was moving to somewhere where I didn't have to deal with all of this crap. It was more the fact that I was getting somewhere safer for the kids, somewhere better for me."

Niki couldn't escape her old life without moving and was finding it hard to make a new life for herself in the same location. This was a source of stress which she felt would have induced a 'meltdown'. The Moneyline loan gave her the ability to make a fresh start and move to somewhere 'safer'.

<u>Social Acceptance</u>

Analysis of the data found that S*ocial Acceptance* is another property of the category *Material Consumption.* Social acceptance is how you are accepted within society and how you perceive that in the context of a society where each compares themselves to the other. The data demonstrated that participants purchase symbolically important goods or engage in conspicuous consumption, using credit, to gain or maintain social acceptance.

It is hard to accept yourself if those around you do not. Christine understands this when she states that 'I would feel like I have nothing if I couldn't get those things.'. That might explain why it is so painful to be materially deprived in a materially abundant society. She reflectively explains the use of credit in that it is not credit per se that makes her feel valued, but what credit can do for her:

Me: "Does the process of getting access to credit make you feel more valued in society?"

Christine: "Yes. Because it means I can get more things. It's not getting access to credit itself but what the credit can do for me. I would feel like I have nothing if I couldn't get those things. So in that way, I guess I am comparing myself to other people."

Christine understands that it is the relative nature of material abundance that affects her sense of self-esteem. She asserts that becoming financially included and accessing credit is not in itself what makes her feel valued, but what it means. It means that she can buy more things, without which, she would feel like 'nothing'. By maintaining socially expected standards of homes and attire, people feel that they are thought well of, and this is a very important motivating factor which drives the demand for credit. Within this section, I shall delineate its dimensions which are *the home*, *fitting in* and *holding on to the past.*

The Visibility of Home

The Visibility of Home explains how participants have a desire to maintain and decorate a home to ensure that they are well thought of and avoid the negative judgements of others. This differs from '*The Comfort of Home'* which is more about inherent feelings of security and safety rather than reputation. *The Visibility of Home* describes home as a site of conspicuous consumption where it is used to demonstrate a standard of relative wealth by which participants feel judged. By avoiding feeling ashamed, participants feel better about themselves in relation to those around them because of how their home looks. This results in an increase in social interaction because the lack of shame and embarrassment means that they can now invite people into their home as Dave proudly explains:

Dave: "Can you imagine from sitting on tea chests? To going better and better and better, and now I'm not ashamed to show somebody into my house. You know?"

Me: "How have you had this?"

Dave: "Well I have paid for it. I've had a loan. But at present, I can show everybody in. I'm not ashamed. I don't have to say, don't look at this and don't look at that. I can take them upstairs and show them the bedroom. And without Moneyline, I wouldn't have been able to afford to have them."

Fitting in

Another important dimension of social acceptance is *Fitting In*. The data demonstrated that having what those around you have is important, as Mark explains:

> "He's into all this new stuff, Gymking and stuff like that. £119 a tracksuit. I got it off of eBay, off a shop, original, £70. Because his mates are all like, I've got this and I've got that, he wants that kind of lifestyle. He's got to have it. If I went out now and went to Primark and got him clothes, he wouldn't touch it. He knows. We can go out, we paid £70 for his Gymking, he asked, "is it real?" Yes son, it is, here's the receipt, and the original packages and things like that. It's really important to him."

For younger participants without dependents, the desire to fit in with friends has led to over indebtedness using credit cards as Tiffany explains:

> "I got my first credit card when I was 18. I think I was very immature, and the girls would say, let's go on a night out, and I was only contracted to 4 hours a week. So, my pay wasn't the best and I didn't have a car. And I'd agree and pay it all on the credit card. And that's where I went wrong. And over the

> years then, when I've wanted things that my friends have had, I've gone and got it."

Tiffany is clear that she wanted things her friends had, and used credit, in the form of credit cards, to obtain them. Despite having a £6,000 outstanding balance on her credit cards, the desire to 'fit in' and not miss out led her to take out further credit with Moneyline.

> "The first time I ever went with Moneyline was because the girls were booking a last-minute holiday, and I didn't want to be left out. I didn't want to be one of those girls who are just sitting back watching pictures on their phone. So, I thought, what am I going to do?"

This demonstrates how important it is for people to have similar standards of leisure and material possessions as others in a society. The pain of missing out and not having what everybody else has is a strong driver of credit. It is worth bearing in mind at this point that this thesis is not a moral discussion of the worthiness or unworthiness of why people borrow money. Tiffany's example should not be read with a moralising tone which would criticize her choices. It is a study of why people want credit, the impact of what they buy with it, and the resulting emotional change that occurs as people move from financial and social exclusion to financial and social inclusion. It is about understanding the impact of being unable, due to lack of financial resources, to buy the material goods necessary to meet social expectations, and the pressure this creates. Alicia articulates the source of these pressures:

Me:	"So when you say social pressure, where is that coming from?"
Alicia:	"Do you know, today, in today's world, it's mostly online that social pressure isn't it? I don't think it's anything to do with our actual or physical reality, its online pressure."
Me:	"So is that from other friends online, or media?"
Alicia:	"I'd say friends, yea. The media definitely expects you to have these things as well. You're expected to have an iPhone, you're expected to have the latest one. You're expected to have all these fancy gadgets and x boxes and things."
Me:	"Do you think these things are linked to…..do you think in society, having these things, branded trainers, are badges of status."
Alicia:	"YES."
Me:	"So if they don't have them, they lose status."
Alicia:	"Absolutely. If I did not have that (pointing to her phone), I'd feel embarrassed, and shit about myself. But I wouldn't ever walk around with a crap phone. The way that I present myself to the outside world is important to me. I like to look good, even if I'm wearing charity shop clothes, I still present myself well to give that Illusion I suppose that I'm doing probably better than I really am."
Me:	"And why is that important?"
Alicia:	"Because I don't want to be looked down upon."
Me:	"And who do you think would look down on you?"
Alicia:	"Just, people in general. I think you're treated differently if you're from a lower income, and if you look like a lower class, I definitely think that you're not treated as well."

This excerpt highlights several important motivating factors which cause a demand for credit. There is pressure to have certain items which comes from friends, online, and the media. There is an expectation to have the newest items. The effect of not having certain status items, such as a decent phone, is feeling bad about yourself and embarrassed because you would be 'look[ed] down on'. Alicia explains that how you present yourself to the outside world is important because it creates a need to look good; to give the illusion that you are doing better than you are. This has the effect of preventing people from looking down on you and forming negative judgements about you. In this way, you avoid being treated as if you are lower class, and you tend to be treated better by those around you.

Ensuring Children Fit In

Another dimension of *Fitting In* is *Ensuring Children Fit In.* Here, parents try to ensure their children have the same as everybody else. This is not just in terms of status items and clothing, but also in terms of having a nice home to live in, and the correct school uniform. For example, Laura states that:

> "I just wouldn't want her to go to school, see all her friends, and they've all got nice homes, and she comes home and her house is crap."

Laura wants to avoid the negative emotional feeling that their relative poverty may generate. She borrows to make sure her house is nice so that her daughter does not have to compare herself unfavourably against her school peers. As explained above, an unfavourable comparison by others can cause you to be assigned to a 'poorer class' and people seek to avoid this.

Image Maintenance

Maintaining your personal image is a further dimension of *Fitting In*. Tiffany uses the phrase 'maintaining an image' and explains why it is important to her:

> "I don't want to feel like I'm any different to them. So even though I don't have high branded clothes, how I portray myself on Instagram - not Facebook, Instagram is the only social network I use. Then looking at me in my pictures, you wouldn't think that I've got the problems that I have. It's a status thing. Keeping up a certain level with your friends. So, it's maintaining an image."

Tiffany makes a point of letting me know that she uses Instagram and not Facebook. By doing this she is highlighting that her consumption of social media says something about who she is and her image. She uses it to demonstrate that she has taste, even though she does not have 'high branded clothes'. She states that she is presenting an image – one of somebody who does not have problems. This is the curation and maintenance of an 'image' of who she aspires to be.

Social media is a common medium which is used to display your image as Alicia explains:

> "I used to go a bit mental at Christmas and pile the presents up, and it was more about the impact it had on social media, look what I've got for my kids. Because it's like a bit of a competition these days. It's all about the show."

The analysis revealed that curating an image to present an impression that you have more than you do, with or without social media, is usual and spans participants in various stages of their lifecycle. They discuss presenting an image that looks like they have more than they do. For example, Elizabeth is helped significantly by her mother, who she calls a 'snob', who ensures that her grandchildren have professionally altered school uniforms from Next and school shoes from Clarks, despite her daughter's relative poverty. Also, Alicia consciously creates a look for her and her children that does not reflect the reality of their lack of material wealth:

> "So, to me, keeping up with what society is doing is not that important in terms of keeping up with the kids. But with me, how I present myself and how I present the children as well, it's more about how we look and not what we have."

We can see that Alicia is not trying to keep up with fashion; that is unimportant to her. But it is important that she presents herself and her children in a favourable light that reduces the embodiment of poverty and ensures social acceptance.

Leslie admits to buying counterfeit goods to maintain her image, to 'look the part'. By starting her sentence with 'even if it sounds bad', she is acknowledging that there is something not quite proper about doing so and it may indicate that it contravenes her or society's sense of propriety, but that is overridden by the need to 'look the part'.

> "Even if it sounds bad, I have to get knock offs just to look the part, you can get good ones."

The need to present yourself well to others is summarised very well by Douglas where he links what people buy with the psychological reason behind why they buy it. He concludes that people are concerned about how they 'present themselves to other people', and therefore money is borrowed 'as much for other people as...for yourself'. He develops this idea further when he states:

> "Most people, I think, whether they realise it or not, they're all pack animals. And so, they're all members of groups. So, they will worry about how people perceive them. So their own…people think your own self-identity is there by the time you're 21, and it's not. It's a life developmental thing, and at 45,

> you're still searching for the real you and a lot of it is based on other people's perceptions. In terms of you want your home to be a place where other people come in and say, oh, they've done that nice, or they've got this and they've got that and so on. A lot of it has to do with how they can present themselves to other people. You're probably using the money to buy stuff as much for other people as you are for yourself. If it's just to say, I need a new carpet in here, because if they see this threadbare carpet that I've got, what will they think of me?"

The key features of this excerpt are that people consume conspicuously because they 'worry about how people perceive them' as they are 'all members of groups', and that according to Douglas, self-identity is a social concept that is created on the basis of other people's perceptions. Therefore, how people judge us is vital to our own sense of self-identity. Because of this, Douglas asserts that people borrow money for other people as much as for themselves.

Holding onto the Past

Holding onto The Past is a property of *Social Acceptance.* It describes the participants who have come from wealth or grew up in prosperous working-class homes who find it hard to accept a lower standard of living. Douglas, who used to be a millionaire business owner, explains how he uses Moneyline credit to capture some of the standards he has been used to:

> "When you've established standards that I've established, you miss all that when it's gone because you've no money. So anything that enables you to, even if it's just a single item, like the TV for instance, a ropey old TV - it's not what I've been used to. So that money [Moneyline] to get me a TV, just like anybody else would, of the standard that you've been used to, yea, is important."

Douglas's example demonstrates that the relative social need to own certain symbolic goods, such as an up to date television is important to him. Even though he intellectually and reflexively understands the 'pack', 'group', and 'member' mentality which shapes our identity, it does not prevent him from feeling the same way and needing credit to buy a television to prevent further damage to his self-identity.

In a similar vein, Douglas demonstrates that it feels bad to reduce your standards if you're used to higher ones as it makes people feel less valued:

Me:	"Are there any areas in life where you don't feel valued as a person?"
Douglas:	"Yea. Yea."
Me:	"Do you want to explain?"
Douglas:	"Well again, it's probably not typical, but standing at a bus stop instead of jumping into your BMW."

Douglas is linking self-value, or self-esteem, with wealth and the symbols of wealth which he typifies as cars and televisions. Owning these symbols is important to maintain his value in the eyes of others as they help to build his positive self-identity. Therefore, a reduction in wealth causes a corresponding reduction in the symbols of wealth and how others perceive you. This results in a self-devaluing process, which participants, such as Douglas, attempt to remedy by purchasing some symbolic goods using credit.

Feeling Better

Making oneself feel better is a property of *Material Consumption.* People purchase certain items to make themselves feel better because living life on a low-income where one is financially and socially excluded creates constant worry, stress and loss of status. Simon explains that he buys smartphones to make himself feel better in reaction to not having any status in society and to counter the restricting nature of constantly living on a low-income. He describes this below:

Simon:	"I've probably gone through 30 smartphones (second-hand from Cash Converters) in three years."
Me:	"Is that your form of luxury, buying gadgets?"
Simon:	"It is, yea."
Me:	"Because you mentioned earlier, about the programme, that people bought luxuries to make themselves feel better."
Simon:	"Yes."
Me:	"So do you make yourself feel better with these gadgets?"
Simon:	"Yes, definitely. I don't need a smart phone. I was listening to Tony Robbins and what he had to say about why people buy things, and it's based on how we feel. Either how we feel that day, or how we feel about the thing we are thinking about buying. If you get a good feeling about having something, like a new car or something, that's going to make you feel good for a while and we like to feel good about ourselves. It improves our general…. How we feel about everything, how we treat other people, I call it the feel-good factor."
Me:	"I want to go deeper into the smartphone thing and making you feel good. Do you feel good when you buy the smart phone? What do you think that is a reaction to? What in your life or in society that makes you feel bad that that gives you a boost?
Simon:	"I think it's not having any status. This is the biggest thing"

There are several salient points to pull out of Simon's excerpt. Firstly, he considers the purchase of a second-hand smartphone to be a luxury, and certainly buying thirty in the space of three years would indicate that it is a purchase that is not borne out of the practical need for a new smartphone, and other than when the phone develops a fault, he says that he gets bored of them easily. When probed into why he buys the phones, he states that it is to make himself feel better and to feel good. When I ask him to reflect on the underlying reasons behind buying smartphones to make himself feel good, he very quickly links it to a lack of status. In this context, it is understood that some people buy certain goods to address the negative emotional state the lack of status produces. This symbolic item in some way remedies this as it makes him 'feel better' and thus transforms the negative emotional state into a positive one.

Whilst Simon's particular status item was a second-hand phone, there were a variety of items participants used to feel good about themselves ranging from a belly piercing to decorating the home. However, most participants did not consider their phones to be a luxury but an essential item that was used in place of an unaffordable computer. Many participants pay their bills and manage their accounts with their phone. They look for lower price offers and interact socially with their phones instead of outside the house, thereby saving money. Most interactions with official agencies such as the benefit agency or applications for jobs require access to the internet which people do using their phones. They are essential in the case of emergencies, and often, this was their only phone and no house phone was available.[21] People often sourced their phones second hand or found very good deals on contract which made more financial

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[21] I also only have a smartphone which has replaced my house phone and I understand to be increasingly the norm. 'In 2010 UK households made more than 90 million minutes of phone calls, but that had fallen to almost 35 million minutes by last year.' (BBC News, 2018[b])

sense than having a pay as you go arrangement with an older model. Smartphones look relatively similar, so I found it difficult to tell at a glance which is an older or recent model. I did not see many Apple phones but mainly Sony's or Samsung's. However, some participants did report buying Apple iPhones for their older children as part of their Christmas gifts.

<u>Sacrifice</u>

A level of sacrifice was often reported in order to buy material goods because the loan amounts can be insufficient to meet all needs. There are eight dimensions of sacrifice including parental sacrifice, whereby parents sacrifice their own wants and needs to meet those of their children. The other dimensions include cutting back on food, socialising, clothes and tobacco, household bills, general sacrifice and lastly, children also make sacrifices when they are aware of the household's financial difficulties. The rest of this section delineates the key dimensions of sacrifice.

Parental sacrifice

In order to ensure that children are provided with the goods their parent believes they need, there is some level of self- sacrifice that is endured, even with access to credit. There are various ways in which parents sacrifice their own needs in order to make sure that their children 'do not suffer' as Hannah states. The most commonly mentioned sacrifices were limiting food for themselves as long as their children were fed, reducing all socialising, clothes and tobacco. Participants also spoke in general terms about not buying anything for themselves in order to prioritize their children's needs, and they described feelings of intense guilt if they did spend anything on themselves. Danielle describes the guilt that she feels when she buys something for herself:

Me:	"What about yourself?"
Danielle:	"Me? I don't really have anything me. It all goes on the kids. I find it easy when I walk in the shop, even if I've got the intention to go and get myself a new coat, I will come back with something for them. I feel a guilt trip, I feel guilty if I buy something for myself. I think, I could have spent that on them."

Cutting Back on Food

Cutting back on food was a sacrifice some parents made to ensure that they could provide for their children despite maintaining Moneyline loan repayments. The loan repayment is prioritised because over the long term, this is the only way parents in the sample felt that they could secure the lump sums needed to provide for their children. This was more important to them than having three meals a day themselves. Jason explains why:

Me:	"Why is that (ensuring the loan is repaid to guarantee access to future loans) more important than having three meals a day?"
Jason:	"For me? Your kids are always fed. Yea. Well, that's what I mean, as long as they're fed, I don't really, I don't know how to put it, I'm not really bothered about eating myself. As long as my kids are fed and my kids have got things I don't really care about myself that much really."

Me: "So you'll sacrifice yourself to make sure your kids get what they want?"

Jason: "Yea. You see, when I was growing up, I never had anything, I never got sweets brought for me, presents at Christmas were a joke, now, my kids have got a drawer full of sweets in there, they can go and have sweets whenever they want, they've got crisps, they get presents brought for them, what they ask for, they get."

Jason's number one priority is to ensure the children are fed, but also, that his kids 'have got things'. This is considered a higher priority than him eating three meals a day. He relates it to the relative material deprivation he experienced growing up. He discusses the lack of sweets and presents he received as a child and considers what he received to be so paltry as to be 'a joke', which is a colloquialism for an insultingly small amount. In response, he fills the cupboards with sweets and crisps for his children, and he gives them the presents they ask for, even if it means that he has to only eat one meal a day and use food banks to do so, such is the importance of giving his children what he didn't have. In this way, he ensures that they do not feel the pain of material deprivation that he remembers so keenly.

Whilst there are six accounts out of thirty-one of people sacrificing food or needing to use food banks, a more frequent response was that the use of Moneyline loans resulted in an increase in the ability to manage their money which led to less sacrifice on food and utilities rather than more, as Donald exemplifies:

> "There were times when I just had my benefit, and it was all going on food and gas and electric and water. Those bills never go away. So you would go to buy something, and you'd think, well something has got to go this week. Now, I don't have to, because that loan has taken care of stuff that I need to get."

Hannah also explains how using Moneyline enables participants like her to have more money for utilities and food, despite a reduction in disposable income due to the loan repayment.

> “Before, I would put as little as I could on the gas and electric because I wanted to buy them things, but now there isn’t that worry. The heating will go on now. Moneyline has helped me realise that you have to be logical to make sure you can afford things. Moneyline has helped me think of these things because if I’m paying back Moneyline on Friday, I have to make sure I’ve got all the gas money. I think Moneyline has helped because by doing the income expenditure, it forces me to look at the outgoings, and then I see where I am spending the money.”

Hannah’s example demonstrates that the income expenditure process used during the loan application process is a key tool which helps people to improve their money management. She says that Moneyline has helped her to ‘realise’ that she needs to be ‘logical’ in her approach to money. It drew her attention to where she was spending her money, primarily to ensure repayment. But the budgetary planning skills used to do this also enables her to plan better for utility and food bills.

Cutting Back on Socialising

Parents in the sample prioritised money for their children to socialise, at the expense of socialising themselves. Leslie explains that it is more important that her children have money for socialising rather than herself because children need to develop their social skills, whereas she has her partner for company. Laura states that the funds for going out are simply unavailable and it was one of the first things she wanted me to know as she started to talk about this as soon as I met her:

Me:	"You said when I came in, that you don't go out at all."
Laura:	"No we don't go out and socialise."
Me:	"Is that because of money?"
Laura:	"Yes."

Cutting Back on Clothes

Participating parents reported sacrificing clothes for themselves to ensure their children had all that they need. Sarah describes how she dresses in 'hand-me-downs' from her friends. She also gets her shoes from her Dad as a Christmas and birthday present, and she must make them last to afford clothes for her daughter:

> "I don't buy myself a lot of clothes, I have a lot of hand-me-downs from my friends because I like to by my daughter new clothes. My dad buys me my shoes for my Christmas and my birthday presents, I have to make them last."

Cutting Back on Tobacco

Another area of sacrifice was tobacco as Jason exemplifies and again, he emphasises that his key priority is that his children are fed:

Me:	"If money is tight and you're prioritising the loan to pay it off, what would you do without to make sure the loan gets paid?"
Jason:	"I'd do without my stuff, my tobacco, I don't have much anyway. I always make sure that my girls are fed. I don't care about me."

Children Sacrificing

The analysis also revealed that children would suggest sacrifices to reduce the financially induced stress they can see in their parents, as Jason describes:

Me:	"Do your children say or do anything to reduce how much you need to spend?"
Jason	"Yea."
Me:	"What do they do?"
Jason:	"If you ask them if they want anything, they say no."
Me:	"And you think they know it's because you haven't got it?"
Jason:	"Yea, it's because they know."
Me:	"How does that make you feel when they say that?"
Jason:	"Gutted, because I'd rather them say, yea, I'll have that dad." (He's starting to cry again).

We can also refer to participants' body language whilst discussing life before and after access to Moneyline loans. There was an increased use of confident, relaxed and happy bodily postures, facial expressions and tone of voice when discussing their lives with Moneyline, regardless of the sacrifices that are made to ensure their repayment is prioritized. I compared this to their worried and tense manifestations of body language when remembering how they tried to manage when they were financially excluded.

<u>Prioritizing Moneyline Repayments</u>

Money used to repay a loan is money displaced from some other use, such as socialising or doing more during the year, spending more on food, utilities, clothes and tobacco for example. But participants sacrifice these things, whilst prioritizing the Moneyline loan repayments, to ensure that they can afford the expensive items which have more of an emotional impact. Kelly makes the direct link between ensuring repayments are made, sacrifice and the loan purposes of Christmas and holidays:

Kelly:	"Sometimes I haven't got any money left, but I've got to pay it. Because I worry then, if I haven't paid the water, I don't want somebody knocking on the door. I just pay it all and I'm left skint, but as long as I've got food, gas, electric, then that's fine, and the bills are paid."
Me:	"If you didn't put that 120 into your loans a week, your weekly living standard could be a lot higher."
Kelly:	"That's right, if I didn't pay. But then Christmas would be a struggle and so would holidays wouldn't it."

The pain of sacrifice is balanced against the positive effects of using loans. They sacrifice because the alternative uses of the money is more important to them. Most interviewees use loans repeatedly, rather than once and never again. This demonstrates a benefit of loan use which exceeds the sacrifice because it would not be rational to do so otherwise. The benefit of the loan, and the driver for its demand, is the ability to meet the emotional needs as outlined in this and the previous chapter.

Considering participants' financial exclusion, continued access to credit is very important, and without repaying their loan, this 'lifeline' would be curtailed. There is evidence that even under difficult financial circumstances, including defaults to primary creditors, that repayments to Moneyline are maintained. Laura describes this:

> "I've had a letter off the council tax. They're taking me to court on the 5 Jan for non-payment. I was paying them £5 a week, but then I stopped paying them. I don't know why. I should have just kept paying them £5 a week. And

> they say I owe them 300 and odd now, and they are taking me to court on 5 Feb."

Yet this person is repaying £130 a month to Moneyline. This example has important implications relating to the importance of financial inclusion, how participants define it, and what people will do in order to maintain it. This participant also defaulted on her catalogue and other creditors but maintains repayments to Moneyline because they are her lender of last resort. Despite Moneyline's frequently reminded policy of reducing payments and offering payment holidays if borrowers experience financial distress, customers do not always take this up as Laura states:

Me:	"You know you can get in contact with Moneyline to see if you can reduce your payments."
Laura:	"Yea, I know but I really do want to get it paid…I would rather try and keep paying them."

In addition to maintaining access to credit, Donald summarises the two additional reasons which occur in the analysis as to why participants prioritise their Moneyline loan repayments:

> "One - for your credit rating. Two - because they trusted you to take that money out, and three - because when it's finished, you can have another loan with them."

Firstly, Donald mentions his credit rating. By taking out a loan and successfully repaying it, he can build his credit score which opens further credit on better terms in the future. Secondly there is the question of moral obligation and trust which means that he feels morally obliged to repay the money that was lent in good faith to him. Thirdly, is the desire to maintain access to credit in the future, and Douglas discusses this in more detail:

> "It had the effect of making me want to look after this. You know, I'm going to make sure that it does get paid off. I want to be able to sustain this so I can go back to them and get another loan if I want it. Which is not the way that I thought about the loan with people like Quick Quid or the shark at the door. I didn't care tuppence about them. I suppose because they are faceless, you don't see them, they're all online, they don't matter. You know that they are just in it for the money. I think with Moneyline, if you're behind you have to have a conversation with a person, it's a person who is talking to you, and telling you that they understand, and how it's not a problem and how they can move it onto the end of the loan."

As well as the clear benefit of retaining the line of credit, Douglas also highlights the nature of relationship lending and how it makes him want to repay the loan because Moneyline 'understand' when he has a problem and create solutions that genuinely help. This contrasts with the faceless interactions with other lending organisations who he 'didn't care tuppence about' and therefore did not repay.

Conclusion

This chapter, which delineated stage 2 of the theory *Finding Ontological Security in a World of Precarity,* has been an exposition of the actions taken by people to address or avoid the negative emotional response to the financial and social exclusion identified in stage 1, *Addressing Exclusion.* It was broken down into two sections, the *Consumption of Credit,* and *Material Consumption. The Consumption of Credit* identified how people consume responsible credit and the features of its supply which create a sense of ontological security. To this end, their experiences with Moneyline were often contrasted against those experienced when borrowing from doorstep and other sub-prime lenders to emphasise Moneyline's beneficial impact on their lives.

The second section was *Material Consumption*. In this section I have demonstrated the underlying drivers of the loan purposes which create the demand for credit. These drivers, when not addressed, caused intolerable levels of anguish which participants felt compelled to act to get rid of or avoid. These drivers include the motivating effect of *Love*, *Satisfying the Determinants of Parenting*, *Meeting Obligations*, *Compensating*, *The Comfort of Home*, *Social Acceptance,* and *Feeling Better*. I also refer to the *Sacrifice* and *Prioritization of Repayments* necessary to achieve the purchase of emotion. This analysis is summed up by Mark when he states:

> "I'll do whatever it takes to make sure the kids get whatever they want."

The Material Purchase of Emotion has explored a series of actions participants engaged in to *Address Exclusion*. The result of this is *Achieving Emotional Satisfaction* which is the third stage of the theory which I shall now turn to.

CHAPTER 8 - Findings Chapter Three - Achieving Emotional Satisfaction

Stage 3 – Achieving Emotional Satisfaction

The third stage of the theory is *Achieving Emotional Satisfaction* which is the attainment of a positive emotional state as a result of the actions taken in stage two. This is the consumption of credit and material goods which addresses the negative emotional states encountered in stage one due to financial and social exclusion. Stage three is structured similarly to stages one and two in that it is divided into financial and social dimensions. The financial dimension is the positive emotional satisfaction and ontological security derived from the financial inclusion using Moneyline brings. The social dimension is the positive emotions and sense of ontological security derived from social inclusion that arises from the purchase of symbolic goods using credit. The rest of this chapter will describe these dimensions in detail.

Financial Inclusion

The way participants achieved financial inclusion was delineated in stage two. Through chance or social capital, they found a source of sustainable credit through Moneyline and the way this credit was supplied encouraged feelings of ontological security in participants. The process of consuming sustainable credit, delivered responsibly, creates financial inclusion and positive emotions which replace the negative emotions of financial insecurity. These can be arranged into three distinct groups. Firstly, emotions that are exchanged for feelings of worthlessness and shame; secondly, emotions which replace fear and worry; and thirdly, emotions that substitute powerlessness for increased personal agency.

Emotions replacing feelings of worthlessness, shame and being ‘decreditized’.

The positive emotions which replace feelings of worthlessness, shame and being ‘decreditized’ include feeling valued, respected, having worth, increased self-esteem, increased feelings of dignity and trustworthiness. The following section looks into these in more detail.

Self-esteem

Analysis of the data demonstrated that having access to credit increases levels of self-esteem in contrast to being in debt which negatively affects self-esteem. For example, Douglas had lost fortunes and was unable to maintain a debt resolution arrangement. This had damaged his self-esteem. He explains how becoming financially included helped to restore that:

Me:	“So when you got accepted for the Moneyline loan how did you feel?”
Douglas:	“I was pleased, I was pleased that after quite a rigorous interview,….it made me feel good. My self-esteem was improved.”
Me:	“Can you tell me more about that?”
Douglas:	“Uum, no matter how much I had lost, I’d always staved off bankruptcy. I’d gone into a … I had entered into a debt resolution arrangement, but I wasn’t even able to keep that going. But I’d always staved off bankruptcy, which I probably shouldn’t have done, because bankruptcy isn’t the stigma that it used to be, you’re out of it within two or three years, but I personally didn’t want to go down that route, it’s a self-esteem thing. So an endorsement from a reputable loan company added to that esteem, yea.”

Douglas recognizes that his increase in self-esteem comes from having successfully met the criteria for the loan. He felt that Moneyline's endorsement validated his reputability. Having successfully passed the 'rigorous interview' made him feel good and that the endorsement was subsequently deserved. Furthermore, the way Moneyline ensure transparency and the way they manage 'pitfalls' contributes to increases in self-esteem as Donna describes:

Me: "Is there anything that affects your self-esteem?"

Donna: "Being in lots of debt affects my self-esteem. Moneyline, I know where I am. They don't send heavies, don't pressure you, don't mithre[22] you, if you explain your situation, they sort your situation for you. They don't mind pitfalls."

In addition to eroding her self-esteem Donna found it worrying and lost sleep over debt collectors and court enforcement 'people knocking on the door'. By using Moneyline, Donna has been able to stop using emotionally damaging forms of credit and has seen an increase in her levels of self-esteem.

Respected

The high levels of customer service Moneyline provide is compared extensively in the data with the degrading treatment experienced by some commercial credit organisations. Participants have indicated that this makes them feel respected because they do not have to, for example, 'grovel or beg' as Margaret indicates:

[22] Mithre is a regional term used in the North of England meaning to bother you.

> "I'm not just a person, I'm a customer that they…I've got their respect and that means a lot to me. I'll never have to grovel or beg for money with Moneyline."

Margaret feels seen, rather than just another person who is unimportant to the company. She feels treated with respect because she does not have to demean herself to get her financial needs met. Similarly, Tiffany emphasises the difference between the way loan agents from Moneyline talk to her compared to other loan companies. She appreciates how everybody is treated as an equal and not judged.

> "I feel with Moneyline though, with their customer service, they treat everyone the same. You know you can ring up to some companies and how they talk to you and everything? Moneyline, it's how they talk to you, and I don't feel they judge you because I need a loan. I feel comfortable going in and speaking to them. Another loan company, I don't think I'd feel as comfortable as I do with Moneyline."

<u>Valued</u>

Feeling valued was another positive emotion described by participants. Again, the lack of being judged and not being spoken to in a detrimental way contributed to this. The use of basic courtesy and treating applicants like decent human beings that deserve respect made them feel valued, as well as just being accepted for credit in the face of constant rejections. Alicia describes her experience:

Me:	"Does the process of getting access to credit make you feel more valued as a person?"
Alicia:	"Yes, definitely."
Me:	"Can you tell me a bit more about how that feels?"
Alicia:	"Because I get, obviously, nothing but knockbacks everywhere, you're not good enough to have any credit from us. So being accepted by them is nice."

From this example, we can see that being financially excluded produces a devaluing effect. Participants feel that they are ‘not good enough’. This is resolved with the financial inclusion Moneyline provides.

Emotions Replacing Fear, Worry, Sadness and Insecurity

As explained in chapter one, fear, worry, sadness and insecurity are emotions which are strongly felt when financially excluded. Financial inclusion replaces these emotions with the feelings of certainty, relief, confidence, happiness, a sense of security, safety, pleasure, and empowerment.

Certainty and Relief

Moneyline’s policy of transparency creates a feeling of certainty for participants. They know where they stand, and the anxiety associated with uncertainty is replaced with certainty and surety. Hannah demonstrates this when she describes her past use of Provident to illustrate her positive experience with Moneyline today:

> “It used to be the worry of, are they (Provident) going to take that as a late payment? Are they going to add a charge onto that? Are they going to expect double the following week? You never knew if they wanted more or if they wanted less or if they wanted double. It was always that, but I used to give them next week the week that I missed. But they never said anything, you know? So it’s not a case of, oh well, you’re not paying this week so you’ve got to pay double next week. You never got no letters to say how much you had left. You couldn’t ring them and ask them. The people who were meant to fill

> in the books, sometimes they never did that. So you were always unsure…Whereas Moneyline, it's not a case of you don't know. They will always tell you. No matter how many loans you've had with them, they will always tell you the same things. It's not one of them that you wouldn't know."

The certainty creates relief. Relief is also a result of avoiding stress and knowing that credit is available to carry out intended purchases. The participants did not, except for one, use the term 'relief', but this was the overall sense gained when talking to respondents when they were describing their credit histories. A physical tightness and physical tension accompanied the vocal narrative when discussing financial exclusion. This vanished when they talked about their experience with Moneyline and was replaced by physical signs of ease, relief and relaxation, which contrasted with the tension and stress embodied by participants talking about their experiences with Provident and other credit providers. Wayne verbalises the relief of no longer being emotionally and physically drained due to money worries:

> "If you're worried about money all the time, it puts you in a corner, it makes you, it drains you, physically and emotionally drains you. Because you're thinking, I haven't got enough money to do this next week, or have I got enough money for that. It does physically drain you. I'm glad I'm not in that position now. Moneyline have definitely helped me to get out of that position. Well yea, it certainly helps that knowing that at any moment if something goes wrong, say my telly breaks, that I can go and get a loan and buy a new one."

By stating that money worries are 'physically and emotionally' draining, Wayne demonstrates the all-consuming nature of financial exclusion that makes managing life extremely difficult. He directly attributes the financial inclusion Moneyline provides with helping him to get out of that position and having the certainty, instead of the worry, that if anything breaks down, that he 'can go and get a loan and buy a new one'.

Similarly, Christine explains how using Moneyline means that she no longer expends huge amounts of cognitive space thinking about how to afford Christmas and worrying about it. Using Moneyline loans to plan her expenditure replaces the worry and stress with ease:

Me: “Would you say then that that takes away the stress and the worry?”

Christine: “Loads. Like if you’ve have to think and plan months in advance it takes a lot of thinking. I don’t have to worry now. I can relax and chill now. Two weeks before Christmas I will go in and apply for it. You don’t have to stress.”

Happiness

Access to credit replaces the sadness associated with financial exclusion with happiness. Some go so far as to label it ecstasy and feel so happy that they cry with the emotion of it as Sarah explains:

Me: “So how did you feel when you got a loan from Moneyline?”

Sarah: “I was ecstatic. I couldn’t believe it. I walked out of that office when I got my first loan and I burst into tears because I couldn’t believe that I had got myself a loan. I do really like Moneyline. They have helped me out quite a bit. No other company would help me out because I’m on benefits, so they wouldn’t touch me because I have no job and I’m a single mum on my own.”

Dave describes how he is happy because they’ve always ‘been good’ to him, and have helped him ‘from the beginning’:

> "They've always been good to me, so I stay with them. I'm happy with them. They've helped me through from the beginning when I had nothing - I had a loan last year and they're fantastic. I know if I need anything, I can just go to them, and they're there for you."

<u>Confidence</u>

Confidence is an emotional term that is used by some participants to describe the effect of using a source of credit that is reliable and affordable. The pleasant manner of the agents also contributes to their levels of confidence because it makes the participants feel good about themselves. Dave describes the confidence he has in the organisation:

Me:	"What does it feel like to have a company you can rely on?"
Dave:	"It's 100 percent. You feel so confident. You haven't got to think that somebody is knocking on your door or ringing you up. It comes straight out. They know you can afford it, you know you can afford it. And they make you feel so great. I've got confidence in them. And every time I've spoken to them on the phone, they've been so nice and pleasant."
Me:	"It also sounds like they've given you confidence in yourself."
Dave:	"Oh god yea."

Dave highlights three features which make him feel 'so confident'. Firstly, nobody knocks at the door to collect a repayment because the money is taken by direct debit. He says that 'you haven't got to think', it happens automatically and this creates some mental space or relief. He also mentions the affordability and an ontological knowing that it is affordable. Knowing that it is affordable increases confidence. He also mentions the pleasant interactions with loan agents. This is something he is not used to in his interactions with credit organisations.

Douglas describes how Moneyline's 'rigorous' questioning gives him confidence when he states:

> "Well I think as soon as you say moneylender, most people, a suspicion of the mind arises. Would you really want to borrow money off these people? So with Moneyline, it's far from that. In fact, because of the questioning and because of the rigors that they go through, you feel as though you feel confident about it."

His statement starts with the assertion that there is an element of suspicion surrounding moneylenders. He does not know if he wants to borrow from one. But then he explains how Moneyline is not at all like a typical moneylender, and the reason he gives, is because of the rigorous questioning before they will lend to him. The serious questioning gives him confidence.

Safety and Security

Life on a low income is full of insecurity and financial exclusion is part of this. Financial inclusion promotes a sense of security and this came through in the analysis of the data. Knowing that somebody is there to help when needed develops feelings of safety and security as Donna exemplifies:

Me: "How does it make you feel knowing that Moneyline is there for you when you need them?"

Donna: "It makes you feel secure, that if you need them, there is somebody there."

Another feature of security is that Moneyline addresses the inability to save. If participants relied on saving first, they would most likely not have a lump sum at the end of the year because they would keep dipping into it. By borrowing, there is an obligation to repay, and thus, there is always access to credit. This is known in the literature as 'reverse saving' and Niki explains how it is more secure and safer than trying to save.

Me:	"So what's the difference between putting £30 in the bank every month, and paying a loan off? What's the difference between putting £30 in the bank in advance?"
Niki:	I don't know if I would be able to do it all the time. Because like, if you were putting money there all the time….like how I do it every week, I think if I had the money sitting, I'd be like, oh, I'd just go and spend It, especially if the kids ask for something. Whereas this way I know it's safer, in a securer way. Because it's not there I can't just spend it on that thing or this thing. Because I know I pay it."

She also describes the insecurity she felt with doorstep lenders who were pushy and smarmy, and how the automated collection processes used by Moneyline create a feeling of security:

Niki:	"I do think that's kind of right with Provident, I think, when they knocked on my door, like I say, I hated them coming. It was the way they did it. Knock on the door, and then, abrupt and pushy. And you're like, give me five seconds to actually take a breath. A lot of them didn't show their ID either. So pressurised, yeah, not showing ID."
Me:	"So you didn't feel secure?"
Niki:	"No, I didn't like it at all. And they used to be like, can I come in? And I used to be like, no, you're not coming in, I don't know you from Adam. I've got two young kids, no… I was like, you can stand there and wait, and he was like, well I'm cold, that's not my problem, that's your job. So a lot of them were kind of smarmy."

Knowing that Moneyline loans are available makes people feel safe, as safe as the support of a mother as Danielle describes:

Me:	"Do you worry less about money? Knowing that Moneyline loans are there? "
Danielle:	"Yea, I suppose I do yea. It's that safety thing isn't it, knowing it's there if you need it. It's the same as my mum."

Danielle makes a surprising comparison between Moneyline and her mother as a result of how safe Moneyline makes her feel due to 'knowing it's there if you need it'. This turned out to be quite an important property of *Achieving Emotional Satisfaction* and the parental nature of Moneyline is explored in more detail later in this chapter.

Safety is also felt as a result of the flexibility Moneyline provide regarding defaults and financial struggles to repay. Donald calls this feature 'safety factors', which takes the pressure off and therefore removes the worry.

> "Yes, it does take that pressure off you, and you know that there is a flexibility there with the repayments and if you are going to struggle, that they will just reduce those payments over a longer period, so you are never worried about it, because you know that there are safety factors in place."

Emotions Replacing Feelings of Powerlessness and Lack of Control

The emotions which replace the feelings of powerlessness and lack of control are empowerment, control and satisfaction.

Empowerment

Simon describes getting a loan and paying it back as 'empowering':

Me: "How does that feel to get the loan, paying it back and it's going well?"
Simon: "Brilliant. Very empowering."

This is because he has spent years mis-managing his money and relying on Cash Converters. This feels more sustainable to him and means that he no longer has to pawn items which are necessary for him to earn money, such as his busking amp. Instead, he can use a sustainable form of borrowing that gives him a greater sense of control over his finances. It is to this that we shall now turn.

Control

Participants stated that using Moneyline gives them greater control of their finances. Some factors were directly expressed as contributing to increased levels of control such as the elimination of over indebtedness and a reduced dependency on loan sharks, pay day loans, and doorstep lenders (Sarah), increased levels of disposable income (Dave and Wayne), the ability to replace essential white goods when needed without having to wait (Donna), a reduction in the worst excesses of the poverty premium (Donna), making the unaffordable affordable (Dave), and an increased ability to plan and budget (Danielle). However, the two key dimensions contributing to increased feelings of ‘control’ came from an improvement in financial management, and an increased capacity to save, which I shall now focus on.

Increased Financial Management

A sense of increased control is achieved because of an improvement in financial management. This is because the income and expenditure process causes respondents to appreciate how much they spend on different items and where they can economise. Also, the desire to prioritize Moneyline repayments to maintain access to credit forces the mind to be more careful about spending overall. Hannah articulates that using Moneyline has helped her to look at money differently and to plan. Consequently, she is now able to have some funds in reserve. When she was financially excluded, she used money saving strategies in order to be able to save money so that she could afford something ‘decent’ for her children. These included staying with her mother for the whole of the Christmas holidays to reduce her own household expenditure. But this was limiting her ability to parent in the way she wanted to. She can now afford to live in her home over the Christmas holidays and to spend Christmas day in her own home with her children. This is due to the increased financial control and money management she has achieved by using Moneyline loans. This has increased her levels of control and agency over her life as she wants to live it. I have provided an extended excerpt in order to fully illuminate the impact of Hannah’s life before and after using Moneyline loans.

Me: “Has it helped you to manage your money better?”

Hannah: "In a way, it's helped me to look at money in a different way. Before I would get the food gas and electric and spend all the rest. It was always because that was the only big money I had coming in. But now, I know that I have £170, and I will make it last. But before, I'd go to town and shop, money was always in and out. Now, I plan. Money management, you have to be able to manage it. Without their help I think I'd be the same and I would still be worrying and I'd still be struggling. So in that aspect, yea, it's a lot less worrying to know that you've got that little bit of security there, and to start your Christmas shopping early.

I used to start it in December, and it was a mad rush, and I was having to try and work my money out. I was having to go to my mums at Christmas time, when they break up from school, right the way up till New Year, because there was no way I could afford the Christmas presents, putting the gas and electric on, food, just to be able to buy them something decent, so that they had something. So I was always going to my mums, to save on gas and electric and food. The day they broke up from school, that night the bags would have been packed and we would have been at my mums from then right up till the day they went back to school. It gets to the point where no, I really would like to spend Christmas with my children, by themselves, be able to do a Christmas dinner, be able to sit at home, you know? We are able to do that now. It saves me having to take all their presents over to my mum, as she lives quite far away. So it saves on that as they can open them here, and get more interaction with me, rather than have so many different people round them. So, now I can play a board game with them because they're not asking anybody else to do that now. And this year I was able to invite my mum and dad and everybody here, rather than me having to go to them. So in that way, yeah, it helps, it all helps. Well I find them [Moneyline loans] useful and I think I'll carry on having them right up until well, I don't know."

Hannah's example demonstrates that not only does using Moneyline loans increase her financial control, but it also improves the quality of her family life as she is able to have more interaction with her children and can play games with them, rather than having to be 'social' in her mother's house.

Access to Moneyline helps participants avoid very high-interest forms of credit such as rent to own outlets. Using rent-to-own companies and doorstep lenders can increase the likelihood of arrears, debt collectors at your door and court enforcements as Donna explains:

Me:	"Has Moneyline helped you get more in control of your finances?"
Donna:	"Yes. Because if it wasn't for them, and you had things breaking down in the house, you'd have to either get it on credit, so you pay monthly, or save up to pay it outright. By the time you've done that, it would be too late. It's cheaper to get it off them, than to pay BrightHouse."
Me:	"Do you worry less?"
Donna:	"Yes. Because I know that they are there, if I get stuck, they will help."
Me:	"Has it made you feel better about yourself?"
Donna:	"Yes it has. Well if you've got more control, you don't lose sleep with worrying. You don't have people knocking on the door, debt collectors and court enforcement. People like that."

Donna explains how it would take too long to save the money to replace a household item, and we know from the Chapter 2 that in general, participants are unable to save. They are then forced to use very high cost credit forms such as rent-to-own which has very small and affordable weekly repayments over a long repayment period, but the overall cost is very high. In this way, Moneyline helps participants to save money because they can make purchases in any shop, rather than being restricted to the products in one rent-to-own shop. In this way they save money not only on the reduced interest payable, but on the purchase price of the item. They also have increased consumer choice. This can contribute to increased control. Donna states that increased control means that she sleeps better because she no longer has to worry.

'Like a Parent'

In findings chapter two: *The Material Purchase of Emotion* in section: *The Positive Consumption of Credit* I provided findings to show how some participants describe Moneyline in parental terms which demonstrates the positive nature of credit use. However, the use of parental terms, which included 'parents', 'lifeline', 'saviour', 'backbone', 'support', 'private support network', 'lifesaver' and 'my financial advisor' also reflect a sense of security, confidence and trust that money will be available to them as Amanda evidences:

> "In a way they are like my financial parents. Because they are the ones that help me out, other than like, my parents, who maybe are supposed to help me, but they don't."

Amanda feels that Moneyline is an organisation that will help her when nobody else will, including her family who she states, 'maybe are supposed to help me, but they don't.' She is demonstrating that Moneyline is replacing the role she ascribes to a family who she feels are supposed to help her.

Hannah describes how Moneyline provide security:

> "I found them really useful, just to have there, as some sort of security."

The sense of security Hannah describes demonstrates a strong concept in the data of 'ontologically knowing'. It is developed from personal experience and from being repeatedly told by Moneyline agents, that should financial and circumstantial difficulties arise, if they keep in contact, Moneyline will try their best to help them and make things easier by reducing payments, providing payment holidays, or extending a loan if possible. The financial security Moneyline provides is contextually framed in an environment that otherwise offers very little security. The participants experience reduced levels of job security, compromised family security in some cases, reduced educational foundations, poor educational prospects for their children to rely on, increasingly insecure welfare benefits, and financial exclusion.

Moneyline, in contrast, appear to create feelings of emotional and financial stability for participants. When they say Moneyline is like family, they are invoking the feelings of ontological stability, security, comfort and support when things go wrong. The analogy to family suggests that this support feels the same as support that you would receive from a parent. This is derived from access to the loan which creates financial inclusion and the way Moneyline, according to participants, will help, whatever the situation, just like a parent would. Furthermore, the somewhat restrictive procedures and processes in place to supply, administer and collect repayments and withdraw savings could provide feelings similar to parental boundaries. For example, participants are frequently reminded, with almost every contact, to get in touch with Moneyline if they get into difficulties, they are told that their repayments will be collected by direct debit on the day their income is received into their bank accounts which reduces autonomy, savings withdrawals are only allowed after a protracted withdrawal process which could be argued to be paternalistic. But far from complaining about these features, participants praised them. These features could be why Moneyline were frequently referred to in parental terms by participants.

Participants frequently describe how they 'know' that Moneyline will help them in their crises. Even though applicants do not always receive all the money they apply for, this only serves to reinforce the concept that Moneyline has their ultimate best interest at heart, because they will only lend what the customer can afford to repay. This approach appears to instil in participants the understanding that they can trust and rely on Moneyline in the same way that they can trust and rely on a parent.

Social Inclusion

The first half of this chapter looked at the emotional impact financial inclusion had on the participants. The second half of this chapter looks at the impact of social inclusion. Social inclusion occurs as a result of *The Purchase of Emotion* which *Addresses Exclusion*. Participants did not achieve full social inclusion, and this was made evident by some of the social sacrifice that took place to facilitate loan repayments. However, the elements of social exclusion which caused very difficult negative emotions, such as being unable to fulfil your role as a parent, being judged as less than others, and social unacceptability were addressed by engaging in sufficient levels of consumption required for their own, and their families' social inclusion. This takes place in stage two which was described in chapter 7. This resulted in the transformation of very distressing negative emotions defined in stage one, into the positive emotions of stage three. These include 'pride', ‘feeling normal’, ‘satisfaction’, ‘confidence’, ‘happiness’, ‘connectedness’, ‘delight’, ‘pleasure’, ‘having value’, ‘increased self-esteem’, ‘safety’ and ‘security’.

It is an artificial exercise to separate out the emotions and describe the events which cause the specific change in emotion because of the interconnectivity of actions and emotions relating to financial and social exclusion and inclusion. For example, feeling like a good parent is also wrapped up in feelings of pride and self-esteem. However, in the rest of this section I will attempt this by going through each emotion in turn, starting with ‘pride’.

Pride

An enormous sense of pride was expressed at being able to achieve high value purchases and provide a good Christmas. Parents felt proud to be able to buy things for their children, and participants felt proud in achieving a good standard of living in their home. This was not taken for granted and people remembered how bad it felt not to be able to do this and credited Moneyline with their ability to now do so. Hannah describes how this feels:

Me: “How does that make you feel as a mum?”

Hannah: “I feel better knowing that they’re getting something that they want, and that it’s new and it makes me feel more proud in myself because I’ve actually physically been able to buy it for them. You know, whereas before, it was like, oh well, they didn’t get that for Christmas, but they had this. You were always trying to justify what they did get if it wasn’t as good as what they really wanted. Whereas now it’s not a justification. I can say they had what they asked for. When they’re

> opening them, and I know that they asked for it, seeing their faces, makes you feel better in yourself, knowing that they've got something that they've asked for."

The pride Hannah feels comes from two sources. Firstly, it is being able to buy her children what they actually want, rather than anything just to say she gave a gift, which she then feels she has to justify. Secondly, because it is new. Hannah talks at length about how disheartening and worrying it is to buy second-hand gifts for her children. She describes how she feels judged by others even though she is trying her hardest. To be able to buy a brand-new gift for her children, of their choosing, is a source of immense pride after years of not being able to do so. Like the concept of there being a certain level of expenditure required to be a good mum, there appears also to be an expectation that a present should be new for it to be truly acceptable.

Feeling Normal

Social exclusion feels bad. This was established in findings chapter one. Financial inclusion enables participants to be able to participate in social norms such as having a decorated and furnished house, going on holiday, having a car, buying presents etc.. Being able to make these socially relevant purchases made participants feel 'normal' and included in society instead of marginalised, judged negatively, othered or 'feeling like scum' as Sarah stated. The ability to have good living standards and look the part, even when using second-hand goods to do so, enabled them to maintain a certain level of social standing and 'keep face'. Paul explains what a 'normal' life means to him:

Paul: "I just want a normal life if you know what I mean."
Me: "What does a normal life mean for you?"
Paul: "Just being comfortable, going on holiday once a year, back to work, get back into a relationship, a car. You know, simple things. Nothing extravagant. Sometimes, you think, you know, you're in your 50's, but you're as old as you feel."

Paul references his age but also indicates that he has a lot of life yet to live when he states, 'you're as old as you feel'. He has a beautifully decorated flat which he used Moneyline loans to achieve and after a relationship breakdown and battling alcoholism, he is ready to have that 'normal' life again. Normality, such as 'being comfortable', 'going on holiday', 'having a relationship' and 'a car' requires money. Financial exclusion, as Simon says, is 'life limiting' because it prohibits people from achieving these normal facets of life. Moneyline loans remove some of the financial limits to enable people to feel normal again and in Sarah's words 'not lose face' in front of wider society.

Valued

In addition to feeling normal, or like everybody else, Chris describes how being socially included made him feel more valued. He felt particularly devalued when he was on benefits to the extent that he believed that people, even his own mother, did not value him:

> "When I was on benefits, people didn't really value me. Not even my own mother".

He explained that when he could not afford to own a car, that he saw his friends disappear one by one and this made him feel judged:

> "I'd ask them for a favour, like, can I have a lift there, I'll give you £5 petrol. Sometimes they'd just make an excuse. They were thinking, he's a dole bum, he does not work, that's what they think."

Consequently, he now uses credit for vehicles, and he links the term 'value' with having enough credit to buy the things he wants to buy to feel socially included:

Me:	"Does getting access to credit make you feel more valued as a person?"
Chris:	"Yes."
Me:	"Oh, it does? Tell me a bit about that."
Chris:	"Some people say, because they haven't got enough credit, they can't get stuff. But the car we have got now, we got it through finance. And we have been able to afford it. I wanted a decent car, we had a car that was in poor condition. So we got these cars on finance and they're nearly paid off. My credit rating is not bad at all. What I like to spend money on - I like to make sure that the cars are decent."

He made a clear link between the negative emotions of feeling devalued in the eyes of others, particularly around cars, and the demand for credit later, to ensure he could drive a decent car, thus resulting in positive emotions of feeling valued and having satisfaction. He also linked value to having a good credit rating, thereby linking that external rating to his sense of personal value.

Confidence

Some participants expressed feeling more confident because they have achieved social inclusion and again, this was linked to the ability to purchase something new, rather than second hand as Hannah explains:

> "You feel a lot more confident and a lot happier that they can open something that they wanted and that it's new."

This confidence is also linked to being able to fulfil her expectations of being a good parent and providing enough material goods for her child as was explained under 'pride'.

Happiness and Pleasure

It is said that money does not buy happiness, but the analysis would beg to differ. After being socially restricted due to financial exclusion, when people became financially included, they then had access to money with which to become socially included. Participants expressed happiness that they can now join in with family shopping trips and days out, or that they can buy themselves some branded clothes because they have the funds to do so. Jason states:

Me: "Once you get the money, how do you feel when you go and buy the trainers?"
Jason: "Ahh, happy. Excited. Can't wait to get them on. Yeah. I feel happy."

It also gave people pleasure to be able to afford nice things and it provided happiness that their houses were decorated to a good enough standard to be able to receive visitors and not be ashamed. Dave's example demonstrates this:

Dave:	"It's a pleasure to be back in the real world again and have the luxuries I had before. And without Moneyline, I wouldn't have been able to afford to have them."
Me:	"So how did it feel when you went and got that new sofa?"
Dave:	"Oooh, God it was like winning the lottery. I couldn't wait for it to come through. The delight on your face to be sitting there. Sigh. This is heaven. Before you could feel lumps and the arms would sag. It was a pleasure and it made you happy."

There is a real sense from Dave's example of the pleasure and happiness that he gets from being 'back in the real world again'. By borrowing money from Moneyline, Dave can attain some of the living standards he was used to before he went to prison and lost everything. He acknowledges that he would not have been able to achieve this without Moneyline. Every purchase gives him happiness such as a new sofa that brings him 'delight'. He has now managed to upgrade his living standards sufficiently that he can afford to use the loans to improve his lifestyle too. He now manages to have the odd meal out, a trip to the bingo, or a cheap UK holiday in a caravan. These things bring him happiness.

Connection

People felt connected to their loved ones by being able to afford Christmas presents. Also, by having connection to the internet through a phone, they were able to talk to people and have a level of social connection in that way even if they cannot afford to go out and socialise. Sarah gives a good example of this:

Me:	“I can see you’ve got a fairly good phone, an iPhone, how do you afford that?”
Sarah:	“This is what I got given. It’s a hand-me-down. My friend bought herself a new phone and she says this is going to be put in the cupboard, it’s an iPhone 5, you can have it. Sometimes it goes a bit dodgy, which it does sometimes, it has a hissy fit. But yea, it was given to me. I don’t put any credit on it. I only message people off messenger because I’ve got the internet at home. I have the internet for my phone (home phone) just in case I need to ring anyone, because of my epilepsy. I only pay on a monthly, £20 a month, and my boyfriend pays for half of that. I’ve got broadband, so I never find that I need any credit.”
Me:	“That’s what I mean by a minimum standard of living, there are kinds of things that you’ve got to have, to be part of.”
Sarah:	(she continues my sentence) “the community, yea. That’s the art of the world, to talk to people. If you haven’t got the internet, you may as well be a Neanderthal and live in a cave. Because I can stay connected with people from my hometown. Send them photos and videos of what’s happening. She’s [her daughter] been ill for a few days and they’ve [family] been ringing to check she’s ok.”

Firstly, Sarah has what appears to be a ‘good’ phone, although not the latest model, but it was given to her from a friend who no longer needed it. Secondly, she does not have any credit on it, which makes this simply a device to connect to the internet with at home, or where there is free WIFI. It acts as a computer because she cannot afford one. She is on benefits, and most administration for welfare has to be done online; therefore having some form of connectivity is becoming increasingly crucial to be able to engage with government agencies.

Sarah describes how she uses the phone to stay connected with family who live in a different town. Without the phone, she would struggle to maintain family ties because she does not have the money to go and visit them in person. In this way, having access to a device which is connected to the internet increases social inclusion. The lack of a phone can be a significant barrier to social inclusion.

Increased Self-Esteem

By being able to engage in material consumption people said it made them feel like 'I matter', that 'I'm good enough'. It increased their self-esteem and sense of personal worth. Douglas gives an example:

Me:	"Does Moneyline fit into building yourself esteem?"
Douglas:	"Yea it does. Because you could buy a TV that was more in line with what you considered your identity to be. Yea. So yea, that's a self-esteem builder."

Here we see evidence of self-esteem and personal value being tied to the possession of material goods that are 'in line with what you considered your identity to be'. It feels bad to Douglas to have an 'inferior' television and it is a mark of his esteem to have a certain brand or quality of television. Borrowing money from Moneyline helps him to achieve this and raises his level of self-esteem.

Safe

Participants described feeling safe when they are able to achieve their social goals. This is particularly relevant when participants borrow to move home. Moneyline loans enable people to move out of houses where they feel unsafe, and to make their existing homes safe as Niki describes:

Me: "I get the feeling of what the loan was for, but once you got the loan, what kind of feeling was that, knowing what it was going to do for you."

Niki: "Oh it was great, it was brill. It was the best feeling you could ever have. Because it wasn't about the money, it was about the fact that I was moving to somewhere where I didn't have to deal with all of this crap. It was more the fact that I was getting somewhere safer for the kids, somewhere better for me."

Niki emphasises that it isn't the money per se that is important, but what it can do for her. It gives her the freedom to be able to move to a house in a safer location for her children, which is why it feels so brilliant and is 'the best feeling you could ever have'.

Security

The theory *Finding Ontological Security in a World of Precarity* is driven from the sense that participants experience precarious lives which generate several negative emotional reactions when they experience financial and social exclusion. They use Moneyline loans to address those emotions by purchasing items which reduce some of the sources of insecurity. Barbara provides one example, but there were many to choose from which demonstrate the desire to address the insecurities of the past by creating security now, as she explains:

Barbara:	"My mum was horrible. One of the fellas she was going out with, she's been married four times, she used to make meat and potato pies and take them down to her fancy fella, while my dad would have a tin of soup with bread and butter. In the end, I was coming back from work, I used to go in the fish shop, he knew the whole family, and he always used to let me have a nice piece of cod or salmon and I'd take it home and cook it for him. Once in a blue moon she'd go into the market and buy a tinned chicken, and they'd take it out and cut it into sections, once in a blue moon she'd buy a breast of jellied chicken. My mum never cooked anything. My sister was the same. She died with cirrhosis. She was the same, she would keep the house full of food because she knew what we had gone through with my mum. I thought, my kids are not going through that, because even if they get married and they're all gone away, if they're ever short of food, there's plenty here for them."
Me:	"So is that the same thing as having the loan money in the bank?"
Barbara:	"Yea,"
Me:	"Knowing it's there if you need it,"
Barbara:	"Yea,"
Me:	"Even though actually, you don't need it right now, yea, but IF you did, you haven't got to worry and it's there."
Barbara:	"Yea, Yeah."
Me:	"And it's making up for what happened in the past?"
Barbara:	"Yea."
Me:	"Do you think Moneyline is the same, that money in the bank?"
Barbara:	"Yea, it's the security. Yea."

When I refer to Barbara having the loan money in the bank, I am referring to the fact that she borrows money to keep in the bank 'in case' she needs it for her family. In the same way, Barbara has an industrial sized freezer in her home packed full of meat even though she does not eat meat and there is only her, her husband and her adult son at home. But she has it 'just in case' somebody comes to eat, or she needs it, and she links this behaviour to the food poverty and maternal neglect she experienced growing up. Her story illustrates the desire to remedy the insecurity felt in the past by using material things to create security.

The exception to this feeling of security are the participants in the sample who become over indebted because their income or expenditure levels change unexpectedly, or because they have taken on additional loans from other sources. They find themselves unable to repay their current loan. This was experienced by a minority in the sample group. However, despite being financially excluded and worried, they reported continued positive emotions resulting from the increased social inclusion created from the use of old loans, as Leslie explains:

Leslie: "The £600 helped us get the kids, the £1,000 got us on our arse. I wouldn't change it, because yea, we might have hit a shit streak with them, but I'm still paying them back. (Very slowly on an amended repayment plan that means they cannot borrow again from Moneyline for the current Christmas). It may not be as much as it was in the beginning, but they are still getting paid back and I get to see the kids anyway. So it's a win win."

This is an exception from the vast majority of participants who describe how Moneyline play an enormous role in addressing their financial and social exclusion. Participants feel that Moneyline help them to regain agency, self-esteem and financial control whilst also replacing the fear and worry of financial difficulties with the peace and security of adequate credit provision. However, the use of additional sub-prime products, and unexpected changes in income can sabotage the ability to create a long-term financial solution.

However, in Leslie's example, borrowing the money helped them to see their estranged children as it enabled them to purchase a car with the £600. Because they were regularly seeing the children, the children's mother then let the children spend Christmas with the Dad. They borrowed £1,000 to purchase presents for these children because they had already purchased high status and expensive items for their youngest child who lived with them and they felt compelled to offer the children from the former marriage a similar level of present to protect their emotions. But having the children on an ongoing, regular basis reduced their level of disposable income because it cost so much in petrol to collect them from their mother's house, and to feed them and entertain them, that they were no longer able to meet the loan repayment and defaulted.

They currently repay less than £10 a week and are unable to borrow again until it is repaid. They are currently experiencing strong negative emotions because they do not know how they will afford Christmas now. They return to the negative emotional state experienced during stage one, *Addressing Financial Exclusion*, despite using Moneyline, because they have lost financial control and return to being financially excluded.

The three participants who returned to financial exclusion demonstrated a contrasted body language to the majority of participants. They demonstrated physical signs of being sad and distressed, and communicated anxiety about how they were going to manage which replicated the body language of people when they were financially excluded. This was in complete contrast to the confident and secure physical presentation of the majority of the sample who found that Moneyline provided financial inclusion on a sustainable basis and had, therefore, entered stage three which is the *Achievement of Emotional Satisfaction*.

Conclusion

Chapters six, seven and eight present the findings underpinning the theory *Finding Ontological Security in a World of Precarity*. The findings were presented in three stages which included Findings Chapter One: *Addressing Exclusion*, Findings Chapter Two: *The Material Purchase of Emotion*, and Findings Chapter Three: *Achieving Emotional Satisfaction*. In all stages the responses were separated into financial and social dimensions. *Addressing Exclusion* considered the negative emotional impact of financial and social exclusion and how this drove action. *The Material Purchase of Emotion* delineated those actions, and *Achieving Emotional Satisfaction* is the positive and lasting emotional state participants achieved as a result of their financial and social inclusion.

When I invited the sample to tell me about their experiences with Moneyline, the overwhelming narrative is one of feeling ontologically secure in an insecure world. Their childhood and current environment are replete with insecurity. They describe the felt insecurity of a changing welfare state and the changing labour market which produces incomes insufficient to maintain a basic standard of living. This insecurity is compounded by the lack of financial slack required to manage the financial expenses necessary to live in our society. This creates huge amounts of worry, stress, anxiety and some marital discord. Moneyline appears to be a stabilising influence which enables people to plan for large expenditures, generate savings, and consequentially, increase their overall financial control. This appears to remove the worry related to financial and social exclusion and is replaced with ontological security. This is demonstrated by the participants' frequent references to 'knowing' that Moneyline are there for them, and that if anything happens to disrupt their fragile economic reality, that Moneyline will do all that they can to help, even if that only means responding with kindness and understanding rather than sending aggressive and stressful letters. Because of the participants' belief that Moneyline will respond positively in a crisis, to help when nobody else will, and to make things better, they are referred to as a 'parent', a 'saviour', a 'lifeline', a 'backbone' or 'support'. It is understood by participants that Moneyline provides ontological security and it is likely that without this form of financial provision, participants would exist in a perpetual state of financially and socially driven anxiety, depression and despair

CHAPTER 9 - Discussion

Introduction

This study develops a sociological understanding of high-cost credit use by people on low incomes through the lens of a sample derived from a responsible lender in the UK. The analysis of the resulting data enabled the development of a theory called '*Finding Ontological Security in a World of Precarity*'; an overview of which was presented in Chapter Five. This is a theory based predominantly in the fields of the sociology of emotions; particularly emotion management, and the sociological meaning of money. This theory extends our understanding of how high-cost credit reduces levels of financial and social exclusion by using emotion management to move from a negative emotional state arising from ontological insecurity, to a positive emotional state and ontological security.

The findings chapters were presented in three sections which reflect the theoretical stages of the theory. They depict the participants' emotional journey, mediated by credit, whereby they address material insufficiency and create ontological security. The structure of this chapter moves away from that format and instead, compares the theory of '*Finding Ontological Security in a World of Precarity*' against the extant literature to elaborate on the foundational concepts which support the theory. This is done in five main areas; the sociological theories of emotion, relative poverty, the social meaning of money, consumption, and working-class credit. Elaborating on the theoretical implications of my findings will further the discussion of the theory and position this study in the relevant academic fields whilst demonstrating its original contribution to knowledge. The chapter begins with a consideration of ontological security and the structural conditions which give rise to the anxiety and insecurity which reduces participant's sense of 'ontological security'. It is followed by a discussion of 'poverty' as the sample are positioned in the lowest 5% income distribution in the UK, and the impact of poverty on the emotions is addressed. This leads into an exploration of the sociology of emotion and how people use emotion management to move from a negative to a positive emotional position. This is followed by a discussion of the social meaning of money, and the implication of working-class credit which is necessary to fund consumption.

Ontological Security

As described in the literature review, ontological security requires confidence and trust that the basic mechanisms required for a predictable level of regular income necessary to meet one's needs exist (Giddens, 1991). The data demonstrates that the parameters required to achieve this for the sample in question, such as adequate financial resources (through benefits or earned income), or secure and permanent employment, are absent. Furthermore, the 'confidence or trust' required to feel secure is absent and generates anxiety and worry (Giddens, 1991). It is congruent with the emotions described in stage one of the findings because participants cannot attain the funds on a routine and regular basis, through stable employment or regular benefits, to achieve the 'basic existential parameters of self and social identity' which are necessary to feel ontologically secure (Giddens, 1991).

Previous attempts to put in place the basic existential parameters necessary to achieve self and social identity, such as using credit cards or doorstep lenders, only served to further exacerbate the felt sense of ontological insecurity. This is because they tended to result in unmanageable over-indebtedness and aggressive repayment practises, thus creating debt-cycles and severe negative emotional responses. This is in accord with Giddens (1991), Balmer (2006), Mitton (2008), Dearden *et al*. (2010), Shildrick *et al.* (2012), the Resolution Foundation (2014), and Hill *et al*. (2016) who also demonstrate that being in poverty and/or debt creates not only strong negative emotional reactions such as guilt, worry, dread, depression, sense of insecurity, inertia, overwhelm, embarrassment, stress, and insecurity, but also a sense of failure as a parent, anxiety and an increased risk of worsened mental health, children feeling like the odd one out, relationship problems and health repercussions. These highly stressful emotions are the cognitive and somatic effect of the erosion of trust that the basic parameters required to attain one's social needs, such as an ability to obtain sufficient financial resources, are attainable. These contribute to the felt levels of ontological insecurity.

Structural Conditions

The subjects of this research are drawn from Moneyline customers. The socioeconomic group from which they are drawn face several structural conditions, such as lower quality education leading to lower paid and more insecure jobs, and the impact of a changing welfare state. These create uncertainty and contribute to a precarious existence compared to the rest of society. This is in accord with findings from Rowntree (1902), Jenkins (2006), Shildrick *et al*., (2012), Beckman (2015), Jones ([2011] 2016), Morduch and Schneider (2017), Reay (2017), and Montgomerie and Tepe-Belfrage (2018).

Educational provision is evidenced to be worse for people living in areas of low income compared to richer areas, which creates education inequality (Reay, 2017). This inequality is likely to widen throughout the educational life course of a person in a low income family (Field, 2010; Goodman and Gregg, 2010; Reay, 2017) resulting in an increased risk of poor educational achievement (Willis, 1979; Rogaly *et al.,* 1999; Goodman and Gregg, 2010; Raver *et al.*, 2011), and poor learner identities and confidence (Reay, 2017). It also increases the risk of only being able to access entry level or manual jobs (Sennett and Cobb, 1972; Field, 2010; Shildrick *et al.*, 2012; Shale *et al.*, 2015; D'Arcy, 2017) due to the reduced levels of educational capital and social capital required to obtain employment with a higher income (Jenkins, 2006). Jobs in this space are more likely to be low-paid, part-time, temporary, feature zero-hour contracts, volatile incomes, and do not lead to higher pay over time (Shildrick *et al.*, 2012), thus leading to a continued sense of precarity and insecurity.

Another structural cause of ontological insecurity is the changing welfare state. Since 2010, the UK government has been pursuing austerity policies which some critics argue are so harsh to have been called 'punitive, mean-spirited, and often callous' (Alston, 2018). It features constantly changing benefit entitlement rules and is increasingly punitive (Ibid.). It has created financial difficulties for many people (Wells and Thomas, 2016; Alston, 2018) and increases poverty as a result of reduced benefit payments and government services to households (Taylor-Gooby, 2013; Montgomerie and Tepe-Belfrage, 2018). This prevents people from accessing a basic standard of living (Reis, 2018). This was more of a concern for the working members of the sample as it intersected negatively with the effect of volatile employment, irregular hours and churning. This left some families and individuals devoid of income when benefits were not responsive enough to match incomes which varied significantly week on week (Standing, 2011; Alston, 2018). Participants then experienced underpayments or no payments which worsened their sense of insecurity (Standing, 2011; Shildrick *et al.*, 2012). The insecurity evidenced in the data is in accord with an extensive literature (Jenkins, 2006; Dearden *et.al.* 2010; Finney and Davies, 2011; Resolution Foundation, 2014; Savage *et al.*, 2015; Hill *et. al,* 2016). This creates high levels of anxiety (Ier.org.uk., 2015) and negative emotions as well as being a key factor of ontological insecurity. This is described in stage one of the theory and is echoed by Wacquant (2008 cited Tyler, 2013).

The anxiety and negative emotions just described are heightened by the othering narrative which seeks to demonise the poor and have also been identified by Lister (2004; 2013; 2017), Jones ([2011] 2016), and Boland and Griffin (2017). This starts as early as in school where children from low-income families can be perceived as less intelligent and capable because of their socioeconomic background (Sennett and Cobb, 1972; Reay, 2017). The othering narrative is also perpetuated in the media which reflects a societal view of people on benefits as scroungers, parasites, revolting, other, and the generators of their own fate (Lister, 2013; McCarron and Purcell, 2013; Tyler, 2013; Jones, [2011] 2016). In accordance with this literature, some of my participants described feeling judged and looked down upon by others. Sparkes also found this and cites Savage *et al.* in saying that these feelings are intensified in 'cross-class interactions' (Savage *et al.*, 2015:378). But rather than feeling deficient, as Sparkes describes in accord with Link and Phelan (2014) and Pemberton *et al.* (2014), the participants of this study felt anger and injustice and resisted the negative judgments which is more in line with the findings from Clark, (1990 cited Williams and Bendelow, 2005), Pemberton *et al.* (2013) and Tyler (2015). Interestingly, the political rhetoric that 'work pays' (McCarron and Purcell, 2013; Jones, [2011] 2016) was found by my participants to be far from true, and those that were working expressed the highest levels of anxiety.

It was found in the data that these conditions amalgamate to create an environment which makes it difficult for people on low incomes to generate sufficient income to meet their social needs, be that through employment, benefits or credit. This financial insufficiency creates a constant tension which erodes any trust that the system will work for them. Stage one findings demonstrate how this creates uncertainty which produces ontological insecurity which is similar to the 'critical situation' which Giddens refers to (1984:51). A 'critical situation' is one whereby there is a lack of certainty in institutions or routines due to circumstances which create unpredictable disconnections which disrupt 'accustomed forms of daily life' (Giddens, 1984:61). However, I would replace the term 'accustomed' with 'normal or customary' forms of daily life for the society in which one lives, because for most of my participants, these forms of daily life are not ‘accustomed’ or ‘taken-for-granted’ due to long-term financial insufficiency, often from infanthood. But they are considered normal or customary in our society (Hirsch, 2015; Padley *et al.*, 2015; Padley and Hirsch, 2017; Davis *et al.*, 2018).

As described in the literature review, there are normal or customary ‘forms of daily life’ (Giddens, 1984:61, see also Townsend, 1979; Ross, 2013; Hirsch, 2015) in any society which require expenditure. Not having the financial resources to enable provision of this, or the ability to plan to provide the habitual necessities of life required for ontological security produces huge levels of anxiety. This is in line with Giddens (1991) and shall be further explored in the following section.

Anxiety

According to Giddens, (1984;1991), a contributing factor of the trust required for ontological security is first established by the care of parents. Analysis of the data demonstrates that there is a variability in the levels of baseline trust in the participants due to various sources of precarity which created injuries to their upbringing. Either their parents were unable to afford the material goods necessary to protect them from bullying and othering, and/or they were emotionally absent. Additionally, their experience of trust in the education system, the labour market, and financial institutions further undermines the development of the trust required for ontological security. This produces anxiety and negative emotions. These emotions are in accord with Kemper's power-status theory as described in Chapter 3 (2006).

People, in general, try to avoid anxiety and preserve their self-esteem when faced with conditions that can produce shame and guilt (Giddens, 1984; 1991; Sparkes, 2019). The way my participants try to do this, by using credit, is clearly evidenced in the three stages of my theory, '*Addressing Exclusion', 'The Material Purchase of Emotion',* and '*Emotional Satisfaction*'. In *Addressing Exclusion* participants feel negative emotions such as shame, guilt and anxiety. They attempt to avoid these feelings, as well as preserve their self-esteem, through the process of the *Material Purchase of Emotion* where they find Moneyline and borrow money to purchase socially important goods. This process results in *Emotional Satisfaction* where participants succeed in removing or avoiding anxiety, and they maintain or increase their levels of self-esteem. The theory *Finding Ontological Security in a World of Precarity* delineates this basic social process (Glaser, 1998) whereby the anxiety (amongst other negative emotions) derived from financial and social exclusion (stage one), are resolved and transformed into positive emotions and good levels of self-esteem (stage three), through the mediating mechanism of access to credit and the purchase of goods (stage two). This theory is in accord with Giddens's 'basic anxiety-controlling mechanism' (1984:50) which is the psychological origin of ontological security. The corresponding change in emotions participants feel from stage one to stage three is also in accord with Kemper's power-status theory of emotions (2006) where the insufficient levels of power and status generate feelings of stress, anxiety, sadness and depression and adequate levels of power and status generate feelings of contentment, satisfaction and confidence.

Participants' reflexively, and sometimes pre-reflexively, consider their or their family's position in response to external stimuli, and act to overcome the anxiety this creates. My research analyses how this mechanism works for people on very low incomes and produces an understanding of why participants use responsible but high cost forms of credit and the positive impact it has on their ability to flourish. This is in contrast to the all-consuming and negative debt narrative which is commonly found in the debt and debt management literature. The negative emotions associated with social exclusion are created as a result of a keen awareness of relative comparison. This is in accordance with Giddens (1991), but also Sparkes when he states that people in this situation 'reflexively consider [their] own position in response to these external stimuli; and act to overcome the anxiety it creates' (Sparkes, 2019:10).

Poverty

Relative Poverty

Without the security of money, the possession of which is vital to pay for rent and utilities, food, and consumption essential for social inclusion, people can feel ontologically insecure (Giddens, 1991). Therefore, a key contributory factor for feelings of insecurity and precariousness is poverty (Morduch and Schneider, 2017).

As described in Chapter 3, Lister usefully redefines the concept of poverty to encompass the lived reality of people on low incomes. She redefines it as 'the inability to participate fully in society because of a lack of material resources' (Lister, 2004:7). This reconceptualization of poverty resonates with the lived experience of my participants who also sleep in second-hand beds and use second-hand clothes, dreading every Christmas and birthday because of the disappointment in their children's eyes or personal sense of failure (Lister, 2004; Ponsford, 2014; Banister, Hogg, Budds and Dixon, 2016). They are financially and socially excluded because they are poor. They cannot participate fully in society because of a lack of material resources which is a very painful emotional situation for them.

Material goods, or 'stuff', as Miller describes it, are important to people's sense of social inclusion and they will go to great financial cost and sacrifice to attain it (Miller, 2010). The analysis of the data finds that, in accordance with Miller, 'stuff matters' to my participants (2010:125) because the purchase of 'stuff' minimises the pain of their lived experience of poverty. This is because there are social and emotional consequences to the purchase of a symbolic good such as a branded trainer. It communicates something about where somebody is located along a scale of status and directly impacts how one is treated and the status one is accorded which has emotional consequences, as described by Kemper in Chapter 3 (2006). This aligns with Miller when he states that 'ultimately what really matters are the consequences of those products for people' (2010:134), that is, it is not the 'stuff' per se that matters but what that stuff means and, in this instance, 'stuff' generates a level of social inclusion.

Moneyline loans do not enable people to fully meet their social needs, but participants plan and prioritise to ensure they meet those social needs which have the greatest impact on themselves or their families, thus minimising the embodiment of relative poverty which makes them appear less poor relative to their peers.

Deserving and Undeserving Poor

In line with the undeserving poor narrative as delineated in Chapter 3, there is an attitude that people should save instead of using expensive forms of credit (Johnson, 1985; Lenton and Mosley, 2012). This is an opinion which is encouraged by government (Dayson and Vik, 2011; Gov.uk, 2018) and is informed by middle-class attitudes (Johnson, 1985).

Data from this research elucidates that participants feel that they are unable to save.[23] But sociologists and policy makers can struggle to understand this because it is a reality of life that is outside of their own class position. As a result, sociologists and policy makers can have 'quite different views of social and economic propriety' (Johnson, 1985:176). This prevents them from understanding how difficult it is to cope economically on a restricted and fluctuating income. This is evident in the work on the

[23] See Chapter 7: Findings Chapter Two: The Consumption of Credit: Moneyline Processes and Procedures: Imposed Structure: Automatic Savings and Delayed Withdrawals for evidence of why participants struggle to save

US financial diaries where the authors ask the ‘poor why they spend themselves into so much debt’, and ‘why don’t they save’ (Morduch and Schneider, 2017: xvii and 5)?

These questions are in response to the perceived poor decision-making behaviour of the poor which they consider to be ‘bad choices’ and ‘self-destructive’. They assert that ‘the available explanations for those problems tend to come down to failures of personal responsibility, lack of knowledge, or insufficient willpower’ (Morduch and Schneider, 2017:7). This provides evidence that the authors approach the question from their own class position and belief in the popular narrative of the ‘undeserving poor’.

In contrast, Kamath and Ramanathan (2016) start to unpick those choices because they are very mindful of the class bias that can affect poverty research and work hard to be reflective in their research. Their work demonstrates that their participants in India do not spend a large proportion of their income on tea and snacks purchased outside of the home because of an urge to spend on ‘temptation goods’ as termed by Banerjee and Duflo (2012), but because their irregular and long work hours make it impossible to cook at home. In a similar vein, some of my participants were aware that they spent a lot of money on take-aways when it would be cheaper to cook at home, but they were unable to because they could not afford to fix their broken ovens and hobs. Like myself, Kamath and Ramanathan try to get underneath the surface to begin to understand the underlying motivation of the visible behaviour, rather than apply their personal class values to the visible actions of the researched.

Stigma of Poverty

As mentioned in Chapter 3, stigma is a central feature of being poor (Beresford, *et al.*, 1999; Lister, 2004; Hooper *et al.*, 2007; Hirsch *et al.*, 2012; Shildrick *et al.*, 2012; Pemberton *et al.*, 2014) and is a contributing factor of insecurity (Shildrick *et al.*, 2012; Pemberton *et al.,* 2013; www.ier.org, 2015). Whilst the participants referred to experiences which are known features of poverty and are understood in the literature to produce stigmatization, such as negative societal reactions, the inability to buy goods and services taken for granted by others, not being able to perform the roles as dictated by the societies in which we live, or participate in the 'normal' activities of mainstream society (see also Hooper, *et al.*, 2007:26), they did not overly refer to 'stigma' per se. Whilst it is possible, and likely that participants are unconsciously motivated by the desire to avoid the stigma of being poor, it was not a core category in the substantive data. Participants did not verbalise this concept in any great deal and Glaser suggests that it would be unwise to logically conject or imply that a category carries more importance than participants state, because to do so would be to force the data and misrecognise the 'other social psychological issues' they are focused on (Glaser, 1978:48). That said, Holmes (2014) states that it is difficult to research emotion because people have difficulty in articulating them and may withhold information or tell you only what they want you to hear. She also indicated that there may be some ambiguity in their accounts. However, I found that the majority of my participants, with a minority of exceptions, were able to verbalise quite clearly what was important to them and when it appeared to me that they were withholding information or being vague, I was able to use my observation of changes in their body language to ask additional and clarifying questions. On these occasions I elicited a rich vein of deeply personal and illuminating information which was key to some of category development, particularly that relating to the typology of stigma (see Table 4).

With Glaser and Holmes' arguments in mind, that people do not always tell you the truth (Holmes, 2014), but also that you should not conjecture categories when the data does not support it (Glaser, 1978), there was some evidence of the recognition that stigma avoidance is a consideration in some of the participants' references to wanting a presentable house. This was because they were worried about what other people might think of them if the house was dirty, or in a state of disarray. It provided a source of pride to have a nicely decorated, or at the very least, clean home to receive friends in, but this was not a major theme. Participants were particularly emphatic that the provision of symbolic goods for children was the avoidance of bullying, which inherently is a symbolic injury of low income (see Chapter 6), but they framed this in protectionist terms as they wanted to ensure their child's social, physical and mental development by fitting in (see Hirsch, *et al.*, 2012; Ponsford, 2014; Clarke, 2016)[24].

However, over the course of the interviews, it became evident that the participants are affected by the stigma of poverty resulting from the material deprivation of their childhoods. They want to ensure that they provide the things their children need for

[24] See also Chapter 7: Findings Chapter Two: Material Consumption: Fitting in: Ensuring Children Fit In.

the accumulation of social capital necessary to fit in and survive at school. They try to make sure their children do not feel the same shame and pain that they experienced when they were picked on or bullied as children. A typology emerged which grouped participants by types of stigma as follows:

Table 4: Division of Participants by Stigma

Parents	Purchasing social capital through goods to ensure social inclusion to protect the development of the child.
Formerly Wealthy People	Participants who have known wealth and now suffer the stigma of poverty and borrowing.
Food deprivation in childhood	Participants who had nothing growing up and stockpile 'just in case' in reaction to their past experience.
Impact of Prison	Participants who left prison with nothing and build up possessions to demonstrate a respectable standard of living to move away from stigmatizing reactions.
Instagram	Young people who are influenced by social media who do not want to appear to have less than others and borrow to look the part.
Pensioners	Pensioners who have built up a lifetime of possessions but now live on low income and seek to maintain their standard of living.

Whilst participants resisted a stigma dialogue, they do appear try to minimise stigmatisation by borrowing money to buy symbolic and other goods, but it appears to operate at a level of practical consciousness (more about which is discussed in the next section on Emotions: conscious vs unconscious behaviour). In doing so, they conform with the poverty empowerment literature and resist their relative class positions (Shildrick and MacDonald, 2013; Tyler, 2013; Tyler 2015 cited Sparkes, 2019) thus minimising the embodiment of poverty.

Low Income Injuries

It was evident in the analysis of the data that many of the participants had experienced symbolic injuries, such as those described in the literature review, in their childhoods. As a result, they borrowed money to purchase the necessary items to ensure that it was not transmitted intergenerationally. This is in accordance with Sennett and Cobb ([1972] 1993) whose work demonstrated that people on low incomes were injured by the opinions of those who were in a higher social class. This was characterised by powerlessness and inadequacy which participants sought to remedy (see also Ponsford, 2011; 2014; Banister *et al.*, 2016). They felt socially left out, which is also a strong motivating feature of why my participants seek out credit even at a high cost. Sennett and Cobb describe how this can originate from the unequal education received by working class children compared to socially superior peers (Sennett and Cobb, [1972] 1993) which is evident in the life narratives of some of the participants of my research, and sadly, still occurs across the UK today (Reay, 2017).

Parents in my sample understand this at the level of practical reasoning, and act to change the life course of their children by attempting to increase their levels of social capital to minimise their embodiment of poverty. This is in accordance with the understanding or knowledge that human beings have their own 'history', which they then act to change (Giddens, 1984), and my participants do this through the purchase of symbolic and visible goods. This is congruent with Jansson-Boyd's work (2011) which demonstrates that childhood trauma and socio-economic disadvantage experienced in childhood is often linked to strong materialist tendencies.

However, the 'opulence' of the goods in question sometimes seem shocking to a middle-class gaze (Ponsford, 2011; Banister *et al.*, 2016; Casey and Martens, 2016) and there is a general distaste of people on benefits who post their 'extravagant' Christmas displays on social media, creating televised and media dialogue about the undeserving poor.[25] This obvious display might be a way of demonstrating material abundance in the face of poverty, proving their social value to the world thus resisting the stigmatisation of the poor as described in Chapter 3.

Emotions

The theoretical framework for this theory, and that which provides its explicatory force, lies in sociological theories of emotions and it extends the concept of emotion management. It has become one of the key theoretical contributions upon which this thesis now stands.

[25] See Appendix 7 for notes on undeserving poor and 'extravagant' spending by benefit mums.

This qualitative study builds a grounded theory of the emotions and extends the understanding of how emotions are they key driver propelling actors to take steps to transform negative emotional states into positive ones by using credit. This is a form of emotional management which I shall now discuss.

Emotional Management

The antecedent of emotional management can be found in work as early as Aristotle where he states that pain and pleasure are the 'basic moral drives guiding human action' (Aristotle, 384-322 BC cited Williams and Bendelow, 2005:250). The movement from negative emotions to positive ones in this study are a result of discovering and using a sustainable, trustworthy and humane form of credit to meet previously unmet social needs, and it is a basic social process as delineated in the theory *Finding Ontological Security in a World of Precarity*. This corresponds with the process described by Smith in *The Theory of Moral Sentiments* (2002 [1759]) and is echoed by Sayer (2011) whereby emotions are an essential human mechanism, which is specific to the person and circumstance, and act as a motivating tool to improve one's life. This tool drives action to promote the happiness, wellbeing and flourishing of ourselves, our children and our loved ones, and prevents unhappiness.

Smith states that our emotions are the 'vice-gerents of God within us'. They punish us if we violate the commonly accepted rules of behaviour in society with 'inward shame and self-condemnation', and rewards obedience to them with peace, 'contentment and self-satisfaction' (2002 [1759]). We can see in the data that shame is felt by participants when they cannot provide for their children, when they have a home that they cannot invite friends into, or when they cannot afford to own and run a car, for example. This is also accompanied by self-condemnation which is the internalisation of the inability to meet societal standards. Smith considers the emotions to be God given, or 'natural' and this is repeated 371 times in *The Theory of Moral Sentiments*. The biological basis of emotions and how they can also be responsive to social factors to interact and be shaped by them is discussed in Chapter 3.

The strong negative emotions are driven by a desire to be socially included, or as Smith states to 'parade of our riches, and conceal our poverty' (Smith 2002 [1759]:52). This is because poverty makes people feel overlooked, ignored and disapproved of which feels 'mortifying' (Ibid:52). This feeling of being 'mortified' fits into my empirical data which demonstrates that the participants felt similarly strong negative emotions due to financial exclusion which is described in Chapter 6. This is because it denied them the ability to conceal their relative poverty. When participants are able to do this through the purchase of symbolically important goods they feel happy as evidenced in Chapter 8. This conforms to Smith's theory that people naturally avoid displeasing and offending others and that they are argued to feel 'pleasure in their favourable … regard and pain in their unfavourable regard' (2002 [1759]:35) and that our motivating desire to be happy prompts us toward actions that promote happiness and ensure that we are well regarded by other people (see also Giddens, 1991; Martens, Southerton and Scott, 2004; Kemper, 2006; Ponsford, 2014). This strongly accords with the data whereby people stated that they wanted their children to 'fit in' and not be left out, or they wanted favourable regard from friends and strangers.

As described in Chapter 3, 'emotion work' is the act of trying to change an emotion or feeling and is most keenly felt when the individual's feelings do not fit the situation (Hochschild, 1979). However, in this study, the participants' emotions do fit the situation and are understandable given their financial and social exclusion, and relative poverty. The emotion work Hochschild describes are all internal acts of emotion work to change how they feel, but I extend the concept of emotion work to include those external actions described in Chapter 7 which achieve a transformation in my participants' emotional position. Examples of using consumption to manage emotions can also be seen in the works of Martens, Southerton and Scott (2004), Ponsford (2011), and Banister *et al.* (2016). But these academic examples are not stated to be mediated through high cost credit, and this is what makes my extension of the emotional management theory a novel contribution to knowledge.

Embodiment of Emotion

There are many people in the sample who identify as suffering from depression, anxiety, insomnia and, in one case, increased epileptic fits as a result of the increased stress financial and social exclusion brings. This is in line with the large increase in demand for NHS mental health services which is almost completely attributed to financial hardship

(NHS Providers, 2019). Participants talked about, and I observed, how these emotions were embodied by involuntary bodily reactions such as flushing, crying and shaking in response to the highly emotionally charged recall of financial exclusion. This accords with the literature on the somatization of stress (Lyon, 2005; Freund, 2005; NHS Providers, 2019).

However, not all emotion analysed in the data was due to negative emotions. If we take the example of crying in my interviews, this was sometimes a result of sadness, for example, due to an inability to provide. Sometimes it was a result of joy, for example, at getting a loan or being able to provide. Sometimes, I would cry with a participant out of empathy. The context of the crying was 'crucial' (Crossley, 2005) because it revealed the nature of the corresponding emotion in relation to the circumstances and what people were saying. Nevertheless, certain health conditions such as insomnia, which was frequently reported by my participants in chapter 6, appear to have 'no visible organic causes' (Freund, 2005) and Freund infers that they are caused by emotional stress. This would appear to fit in with the experiences of my participants.

However, participants stated that their insomnia ceased whilst they were using Moneyline loans to meet their needs[26]. This appears to demonstrate how using credit from Moneyline can reduce stress levels to the point where the physical manifestation of stress, such as insomnia, disappears. What is interesting about this is that whilst it is

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[26] See Chapter 6: Findings Chapter One: Risks of Financial and Social Exclusion: Poor Mental Health for findings on Insomnia..

argued that ‘stress act[s] in conjunction with a number of other co-factors’ (Freund, 2005:284), and that the ‘relationship between ill health, disease and stress …are neither linear nor uni-causal (Ibid.:284), the somatic responses to ontological insecurity described by participants including trembling, insomnia, crying, restlessness etc, are resolved by stage three when using credit causes them to feel like they have ontological security. The cessation of symptoms provides an initial indication that the stress might cause the somatic reactions rather than being just one of many co-factors including genetic vulnerabilities and lifestyle factors. However, there is not enough data from this research, and the data was not collected in the right way, to definitively make this claim. Further studies would be required to demonstrate this conclusively.

Cultural Dictionary

Cultural dictionaries are described in the literature review and there is evidence of the existence of a cultural dictionary in the data as there are specific sets of words used by participants to express an emotion in a particular social context to create a specific cultural reference point for a unique emotion and its expression. This is in accordance with Hochschild (2005).

For example, the term ‘gutted’ is used to express a strong negative reaction to financial and social exclusion by five of my participants (see Chapter 6, thus demonstrating the existence of a shared cultural dictionary. Another clear example of this is the use of the term ‘parent’ by several interviewees to describe their feelings toward Moneyline. This was a surprising word to hear from participants in relation to a financial institution, particularly when several participants used it. The use of words like 'parent' was a strong indicator of how important Moneyline are to some participants' sense of ontological security. This is because, as explained earlier in this chapter, the feelings of trust necessary to feel ontologically secure are said to be developed from infanthood (Giddens, 1991), and here, a link is being made by several participants between the feeling of security one feels when being parented, and Moneyline.

Irrational Behaviour

Participants in the sample borrow money at interest rates in excess of 200% APR with Moneyline. Before finding Moneyline, they used even more expensive forms of credit including payday loans, rent-to-own shops, doorstep lenders and illegal lenders whose interest rates can extend into the thousands. Additionally, there is a risk of physical harm when using illegal lenders if the borrower does not pay. This leads to a narrative that people on low incomes borrow 'irrationally' and purchase expensive goods they cannot afford (Johnson, 1985; Edgell *et al.*, 1996; Werbner, 1996; Sivanathan and Pettit, 2010). It implies that they are financially stupid (Anderson, 2015) and questions their morality (Casey and Martens, 2016). The narrative also more kindly suggests that they are unable to think through financial problems in a rational way due to worry and anxiety (Lenton and Mosley, 2008). The understanding is that it seems irrational to use the most expensive forms of credit when you could just save instead (Morduch and

Schneider, 2017), and this was a behaviour I was interested in finding out more about as it did not seem logical.

However, wanting to have goods now, instead of saving up and waiting is not necessarily a trait of low self-control, impatience (see Johnson, 1985; Morduch and Schneider, 2017), the results of poor choices (Morduch and Schneider, 2017), hedonism (Miller, 1998; Savage *et al.*, 2015) or cognitive limitations (Campbell *et al*, 2011; Mani *et al.*, 2013). It might be due to the lack of material certainty living on a low income produces which necessitates a strategy of getting food and goods now, because you cannot be sure when you will get them again (Kidd *et al.*, 2013; Berkman, 2015; Savage *et al.*, 2015; Ferdman, 2016; Sturge-Apple *et al.*, 2016). In other words, the individual organises their environmental responses to be in line with the expected outcomes based on their past experiences (Giddens, 1991). I argue in the next section that this is, in fact, a highly rational response, which I shall now explain.

The ontological uncertainty created from being raised in material deprivation (Giddens, 1991) which is expressed by participants in stage one of my theory *Finding Ontological Security in a World of Precarity,* creates the desire to use credit to purchase goods now (Keren and Roelofsma, 1995). This is evidenced in stage two of the theory *The Material Purchase of Emotion*. Given this understanding, I assert that participants act in a highly rational manner because when they borrow, they attain necessary symbolic material goods. These confer benefits from using the loan which could be argued to be greater than the cost of the interest paid, compared to the situation which would ensue if they did not have the use of the loan (Weber, 1978). Access to responsible high cost credit enables material provision at greater levels which appears to increase participants' feelings of ontological security over the long term as explicated in stage three of my theory *Achieving Emotional Satisfaction*.

The way participants use credit to create increased feelings of ontological security is that it seems to help them overcome their 'present-biased time preferences' (Ainslie and Haslam, 1992; Harris and Laibson, 2004; Laibson, *et al.*, 2007; Gabaix and Laibson, 2017) by displacing otherwise 'crap buying' toward loan repayments. This is because 'crap buying' erodes savings and provides no emotional benefit whereas the items purchased with loans do provide an emotional benefit.[27] This strategy allows participants to attain their long-term purchasing needs for expensive items which provide a stronger emotional reward. Furthermore, the features of high cost short term credit suit the borrowing needs of low-income individuals as described in Chapter 2 (Rowlingson and Kempson, 1994). The rationality of their actions is in accord with Lewis (1969), Esser (1993), Rowlingson and Kempson (1994), O'Connell (2009) and Walton (2018).

Additionally, my participants experience high levels of expenditure for seasonal events which are not able to be deferred. These include Christmas and Birthdays, moving to a

[27] Interview with Andrea – "Me: If you didn't have to make the repayments, would you have more money to spend on your children, food, or bills during the month? Andrea: Yea, but it would just be more crap buying wouldn't it. Do you know what I mean, spending for the sake of it."

new house or replacing broken household items. This is in accord with findings from Friedman 1957 cited Douglas and Isherwood (1996) and Morduch and Schneider (2017). As described in Chapter 3, meeting these consumption norms is a highly valued goal and we can see in Chapter 6 that it incurs very negative emotional responses in my participants when it is not possible. It has been established in the literature review and earlier in this discussion that the negative emotional response is a key driver of action, and thus, using credit to attain this goal is a highly rational act when the alternative has such negative emotional consequences. This was also argued by Sayer (2011), who states that emotional responses 'assist rather than obstruct the process of reasoning' (2011:38). So, far from being a response based on emotion which 'predominate[s] over rationality' (Lenton and Mosley, 2008), emotions such as those in chapter 6 appear to be a vital and rational mechanism to promote the actions described chapter 7 which are necessary to address the exclusionary driven symptoms of stress, worry and panic. These actions create a life which is happier which also promotes resilience from the effects of financial and social exclusion as described in chapter 8.

Social Meaning of Money

'It's not getting access to credit itself but what the credit can do for me.' – Christine.

This is a quote from one of my participants who sums up the social meaning of money. Credit, ergo, money, is important, not in and of itself (although there are benefits to self-esteem as a result of access to credit[28]), but because what is purchased with credit has strong communicative and social meaning, as this section will demonstrate. This is in accordance with Zelizer's theory that money, or what money buys, has social significance (Zelizer, 2012; 2017. See also Veblen, [1899]2007; Weber, 1978; Smelser and Swedberg, 2005; Dodd, 2014[b]; Daly, 2016). The rest of this section will discuss how participants' social meaning of money underpins the emotional responses demonstrated by them in Chapter 6, when they experienced financial and social exclusion, as well as those experienced in Chapter 8, when they achieved a measure of financial and social inclusion.

The data demonstrates that participants spend their money on what is important to them. This is usually other family members, particularly children, but it also includes spouses, and occasionally friends, parents and grandparents. The literature calls this the Matthew Effect (Williams and Bendelow, 2005) and it refers to the bible reference Matthew 6:21 which states 'where your treasure is, there will your heart be also'. People in the sample were keen to maintain relationships as this is where their 'heart' is. Their 'treasure', which is credit-facilitated consumption, was used to construct and maintain these relationships. The rest of this section discusses this in more detail looking at relationships, the concept of 'the good mother', gift giving, and sacrifice.

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[28] See Chapter 8: Findings Chapter Three: Financial Inclusion: Increased Self-Esteem.

Relationships

The participants use material goods (for which money is required) to express and preserve relationships which is consistent with the idea of consumption as relational (Miller, 1998; Swedberg, 2003; Miller, 2004; Lave cited Zelizer, 2005). The 'creation, maintenance, negotiation and alteration of interpersonal connections [are made] through acquisition and use of goods and services' (Zelizer, 2005:336). Granovetter calls this embeddedness (2011). 'Embeddedness' is the concept that social relationships are embedded into economic activity. The strongest social relationships which were created, maintained, negotiated and altered in the data were those founded on love (Miller, 1998; Swedberg, 2003; Ponsford, 2011; Zelizer, 2012; Ponsford, 2014; Banister *et al.*, 2016; Martens, 2018), particularly motherly love (see Chapter 7), thus embedding consumption in a system of social relations (Swedberg, 2003). Consumption is seen to play a key role in the development of ontological security through relationships and trust.

Similarly, the data indicates that the provision of credit which participants can trust, provided through a relationship model, also contributes to a feeling of ontological security in seemingly the same way that a parental relationship does. This is evidenced by the use of parental terms by participants in relation to Moneyline, (See Chapter 8), and implies that the provision of responsible credit contributes to feelings of ontological security and has a social meaning rather than providing a neutral stance.

The Good Parent

The concept of 'the good mother' was introduced in the literature review but the analysis of my data demonstrates that fathers, as well as mothers, were strongly motivated to spend money on items which helped them to fulfil this role and that fathers in the sample responded with equal levels of emotional distress as mothers at their inability to provide for their children. For this reason, I have extended this concept to 'the good parent'.

There was an expectation that a good parent buys their children the things that they want, even if this exceeds their budgetary ability and relies on credit. Other strategies described by participants were also used including purchasing items second-hand, but this usually generated highly negative emotions. Some parents went as far as to say that they would use a loan shark if they had no other options. This is because the inability of a parent to provide the socially mandated objects and experiences commonly provided by parents in our society make them feel like failures, bad and useless. This is in accord with Miller (1998) who refers to this in the context of mothering, and is in line with the extant literature on the 'good mother' as referenced in Chapter 3 (Bagnall *et al.*, 2003; Martens *et al.*, 2004; McNaughton, 2011; Lupton, 2012; Lupton, 2012[b], Lupton, 2013; Ponsford, 2014; Olsen *et al.*, 2015; Clarke, 2016), although as explained at the start of this section I include both mothers and fathers in this.

The concept of the ‘good mother’ is in contrast to the idea of the ‘bad mother’ who is considered to be neglectful or abusive (Ladd-Taylor and Umansky, 1998 cited Olsen *et al.*,2015:2). The ‘bad mother’ becomes a ‘bad parent’ in this thesis due to a lack of gender difference in the analysis of the data. It revealed itself to be an important category in the theory as parents reflected on how it would feel not to be able to buy their children Christmas presents for example as Mark evidences: “You feel bad because they haven’t got the top makes and things like that."[29]

It was stated by several participants that being able to afford to get their children the official school uniform, afford to buy them a few treats, buy them new Christmas presents from a proper shop, instead of second-hand things from dubious internet sites, made them “feel better as a mum”. This resonates with the work of Warde (1994) and Martens (2004) which incorporates the anxiety of making the ‘wrong’ consumption choice with regard to their children. Although in my study, it is less about ‘wrong’ choices, as about the ability to have any choice at all due to lack of resources. Warde states that a lack of resources is the strongest source of consumer anxiety (1994), and my data demonstrates that this is particularly acute for parents.

Lupton’s work on how mothers feel when their children are ill bears similarities to the basic social process outlined in *Finding Ontological Security in a World of Precarity.* The parents in Lupton’s work feel a loss of control which generates highly negative

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[29] See Chapter 8: Findings Chapter Three: Social Inclusion: Feeling like a good parent. See also Appendix 4 – *Feel like a Good Parent* for additional empirical examples.

emotional states in the parent, which the parent needs to resolve to feel better. Lupton's process features the concepts of the 'good mother', 'loss of control', 'social isolation', 'embodiment of emotion', 'invisible mental labour' and 'feeling better'. Lupton's work addresses similar categories to those in my theory. My work, in accord with Lupton's, demonstrates that parents (fathers as well as mothers in my case), use 'consumerist language and practices to fight for their children' and their wellbeing (Rothman, 2004:287).

A financial investment is required to fulfil the role of the 'good mother' (Hays, 1996) as described in Chapter 3. This is not always affordable and can create over indebtedness (Clifford *et al.*, 2014; Olsen *et al.*, 2015). There is a strong negative emotional reaction experienced by my participants when they are financially unable to make this investment, and this is also found in Ponsford's work (2011 and 2014). This is also consistent with the 25 percent of parents in the general population who feel that they could not let their children down at Christmas (comparethemarket.com, 2017).

However, instead of advocating for more affordable forms of credit, Clifford *et al.* (2014), suggest that mothers unpick the 'notions' and attendant emotions produced by the ideology of the good mother to change behaviour and therefore reduce borrowing. I would suggest that a comment like that is likely to come from somebody who has never been in the position where they cannot afford to give their children nice things (Johnson, 1985; see also section Deserving and Undeserving poor, above). If they had they would never suggest that only the poor or those in debt should have to unpick their emotions in order to change how they feel.

This sort of comment is similar to the distaste for the consumption practices of low-income mothers which are seen as unacceptable and are subject to moral scrutiny (Ponsford, 2011; Tyler, 2013; Martens and Casey, 2016). Additionally, I would venture that it is unreasonable to ask people to examine and change their norms and practices which are learned from childhood (Jenkins, 2006) and are situated in a context of poverty where this is argued to have an impact on cognitive function and makes it even harder to change embedded habits (Mani *et al.*, 2013; Walton, 2018).

When dealing with the need to feel socially included, changing emotion-based behaviour is very difficult to do, especially for parents. It is condescending and a violation of people's agency and free choice to state that that behaviour should be changed to save people from their own 'bad decisions' when it is so well understood in the academic literature that consumption plays such a vital role in expressing and maintaining relationships and being a 'good mother' as indicated in Chapter 3 and earlier in this chapter. If the concern addresses exploitation of those on low incomes by excessive interest rates, then an alternative to 'changing behaviour' could be, instead, to advocate for the introduction of lower cost loans given the emerging understanding of the vital social and emotional importance of credit for people on low incomes demonstrated in this thesis.

Gift Giving

Gift giving is very important in the data and as delineated above in 'the good parent', it is a socially expected part of the role in contemporary UK society and this expenditure is prioritised with a large part of borrowing from Moneyline going to service Christmas presents. This motivation is in line with the literature that states that parents feel high levels of distress when they cannot give their children what they want (Smith, 2002 [1759]; Daly, 2016; comparethemarket.com, 2017). Smith also states that 'nature ensures that parents have strong emotions for their children to ensure the reproduction of the species. The child's survival depends on it. And we give 'unjust preference' to our own children above other children' (Smith, 2002 [1759]:164). This is in accord with the findings that demonstrate very strong emotions regarding participants' children that is reflected in their purchases.[30]

The strong evidence for seemingly 'extravagant' expenditure beyond what can be afforded by participants is reminiscent of the literature on gift giving and the potlatch (Werbner, 1996; Mauss and Douglas, 2001). But unlike the potlatch, where the purpose of the giving is to shame rivals and increase social power over them, the expenditure by parents in this sample, for their children at Christmas, is more aligned with the work of Ponsford (2014) and Clarke (2016) which demonstrate that parents want to achieve 'sameness' for their children, and to ensure that they 'fit in', rather than to have more

[30] See Chapter 6: Findings Chapter One: Social Exclusion: Emotional Reaction to Social Exclusion.

than other children. This also fits in with Kemper's power-status theory of emotion which hypothesises that an increase one's status relative to one's peers would place one in the position of 'own status excessive' which would generate shame and embarrassment (Kemper, 2006:99) and therefore be the opposite of 'fitting in' and 'sameness'. However, in order to afford a level of consumption sufficient to 'fit in' and be the same as everybody else, access to credit is required, but also sacrifice, and it is to this that we now turn.

Sacrifice

The data demonstrated that sacrifice was needed to meet desired expenditure.[31] The most commonly sacrificed items are food, clothes, tobacco, everyday bills and utilities, holidays, miscellaneous or general sacrificing and socialising. There were also incidences of children making sacrifices because they were aware of the family income situation. These findings are consistent with existing literature where mothers discuss cutting back on food and goods for themselves to meet other expenditure (Miller, 1998; 2004; Taylor, 2002; Ponsford, 2011; Ponsford, 2014; Banister *et al.,* 2016). This is not just a low-income phenomenon, as demonstrated by comparethemarket.com (2017) who found that 65 percent of parents spend less on themselves, socialise less and sacrifice for at least three months before Christmas.

[31] See Chapter 7: Findings Chapter Two: Sacrifice.

It might seem strange that participants sacrifice functional needs such as food and utilities for what might appear to be unnecessary items such as Christmas presents. But goods such as holidays, days out, presents and home furnishings are as necessary as goods which service functional needs such as food because of their importance for social inclusion and a sense of belonging in society. Daly (2016) refers to these as ‘relational needs’ and argues that it is a ‘need’ rather than a desire. Indeed Hirsch *et al.*, (2012) state that such purchases are necessary for a child’s social development, physical health, self-esteem, long-term development, reputation and ‘social face’.

In accordance with the literature, people will purchase ‘luxuries’ instead of necessities even if basic needs for food and heating are not being fully met (Smith, [1759] 2002; Veblen, [1899] 2009; Johnson, 1985; Giddens, 1991; Banerjee and Duflo, 2007; 2012; Zelizer, 2017). This is because life, is and should be, about more than mere survival (Graeber, 2014); about roses, and not just bread (Ross, 2013). However, for the participants, sacrifice is not enough on its own, and credit is required to meet their relational needs in order to attain ontological security.

Consumption

Consumption and Consumption Norms

As described in Chapter 3, consumption norms are the unspoken rules which dictate the nature of the goods which are expected to be procured for social acceptance or social normalcy (Pellandini-Simányi, 2014) and the analysis of the data demonstrates that consumption norms are active for my participants and created emotional drivers when they were not met, which led to action and resolution as described in the three stages of my theory. Participants discussed how bad it made them feel when their houses were poorly furnished with crates for chairs and second-hand furniture. Whilst they expressed gratitude for such minimal and uncomfortable possessions, they felt much better about themselves and able to invite friends around when they had achieved a personal benchmark standard of décor. This indicates a desire to adhere to consumption norms in décor and furnishings.

Also, parents described feeling better when loans enabled them to buy 'new' presents, or the 'correct' and 'branded' school uniform. These were purchases which parents were expected to provide, and thus normative, and deviation from them incurred a negative emotional reaction which arose from a variety of sources. These included the memory of material deprivation themselves[32], pain on seeing their children left out and bullied[33], or pain at a failure to adhere to the concept of the good parent[34]. Negative emotions, particularly shame, guilt and anxiety, arising from an inability to achieve consumption norms was also found in the works of Giddens (1991) and Ponsford (2011; 2014).

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[32]See Low Income Injury above and Low-Income Injuries in Chapter 6: Findings Chapter One.
[33]See Protection under the subsection Love in Chapter 7: Findings Chapter Two: Material Consumption.
[34]See Satisfying the Determinants of Parenting in Chapter 7: Findings Chapter Two: Material Consumption.

The parents interviewed seemed to purchase similar priced toys for their children which would appear to demonstrate a certain 'yardstick of expenditure' (Edgell et al., 1996). This seems to be higher than the national average (for example, a number of parents in the sample spent approximately £600 per child), and this accords with Ponsford's findings (2014), although more specifically targeted quantitative research is needed to verify this. It is argued that people have an unreflected or unconscious sense of what constitutes the particular yardstick of expenditure in their social environment. This indicates what is the normal, decent or appropriate amount to spend (Werbner, 1996; Bourdieu, 1998; Shove, 2003 cited Pellandini-Simányi, 2014).

A critique of this is that the yardstick can be unaffordable (Veblen [1899]2007; Werbner, 1996) and is derived from a different socio-economic lens. But regardless of how it is set, the lived reality for the participants is that to meet the consumption norms, and thus maintain their social value and emotional equilibrium, credit is required.

Warde asserts that consumption norms are less important for 'those with few resources', and that they 'are mostly relieved of acute anxiety about appropriate consumption behaviour by necessity and because they interact with others in similar circumstances' (1994: 893-894). But the data seems to demonstrate that the inverse is true. Those with few resources still very much care about appropriate consumption behaviour and act more in line with Giddens' assertion that constructing and maintaining positive self-identity through how you dress, what you eat, and how you act is ‘every bit as important as among more affluent strata’ (1991:81). This will be explored further in the next section, ‘conspicuous consumption’.

Conspicuous Consumption

Sparkes (2019) summarises Veblen’s theory of conspicuous consumption ([1899] 2009) when he states that ‘visibly increased consumption by high income individuals has induced status-seeking consumption by middle income individuals; and in turn, their lower income counterparts’ (2019:3). He suggests that this leads to rising indebtedness which is in line with Veblen who as I quoted in Chapter 3, states that people tend to spend more than they earn to improve their standard of living, which implies the use of credit.

However, the focus of Sparkes’ study is on middle to upper class income groups ‘who have larger unsecured debts as a proportion of household income’ and have, in the main, abundant access to mainstream unsecured credit. The participants of this study come from the lowest five percent of the income distribution and are the lowest socioeconomic group; and whilst Veblen’s assertion that spending aspirations tend to go higher than income affords, this group do not typically have good access to credit to facilitate this. They are often financially excluded which frustrates their expenditure requirements and this causes strong negative emotional reactions[35].

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[35] See Findings Chapter One – Addressing Exclusion – Financial Exclusion and Social Exclusion.

However, as mentioned in Chapter 3 and above, there is an aspirational component to conspicuous consumption (Veblen ([1899]2007; Sparkes, 2019). But there was not much discursive evidence in my data of participants attempting to attain the standards of their economic and social superiors. Instead, they try to maintain the expected consumption levels of their own class. This may evidence one of the criticisms of Veblen's work in that it suffers from being a little simplistic and difficult to support with empirical evidence (Bagnall, 2011) and as discussed earlier, with reference to the potlatch, is more likely to be about sameness rather than competitiveness.

Another one of the components of conspicuous consumption is wastefulness (Veblen [1899]2007; Bagnall, 2011) but the expenditure I evidenced by the participants does not appear to be 'wasteful'. Instead, expenditure is very carefully thought out and accounted for and attempts only to meet some of the prioritized goods necessary for social inclusion. It does not seem to constitute an extravagant use of resources or overly extravagant consumption (Bagnall, 2011) as many of the gifts, such as clothes or computers and phones, perform a functional role as well as a social function and a love/relationship function. However, the general understanding of conspicuous consumption is that it is consumption that is visible to others and confers social capital, and it is to this that we shall now turn.

Capital

The importance of capital was discussed in the literature review and the participants in this study appear to be purchasing social and cultural capital. This is in line with Edgell *et al.*'s assertion (1996) that Christmas (for which approximately half the loans are borrowed) is the opportunity for low-income families to accumulate personal symbolic capital. They do this by purchasing symbolic clothing and other visible goods which embody a presentation that attempts to minimise their levels of poverty whilst accruing the social capital necessary for inclusion. This is in line with Bannister *et al.* (2016), and Martens and Casey's findings where 'social status is less to do with betterment and 'social climbing', and more to do with acquiring the necessary capital and value as judged by certain distinctive social groups' (2016:730). In this way, participants attempt to avoid the stigma of poverty which is embedded in the bullying practises within school and are historically remembered by the parents which were described in Chapter 6 and 7. This is a feature which was also found by Ponsford (2011). It is mixed with the protective elements of parenting whereby you do 'everything' you can to protect your children[36].

Practices such as ensuring you have the right clothing, the right car and the right presents for your children[37] add weight to Bourdieu's work on capital which was

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[36] See the Good Mother above and in Chapter 8 'Feeling Like a Good Parent'.
[37] See Chapter 7: Findings Chapter Two: Material Consumption: Social Acceptance; Fitting In.

explained in Chapter 3. However, the possession of capital is understood by Bourdieu to confer some form of economic advantage by virtue of its possession, but there is no evidence in the data that increases in social capital result in increased economic capital for the participants. The evidence does indicate however, that it increases levels of self-esteem and happiness[38]. Furthermore, participants' investment in social capital (regardless of its ability or not to generate economic capital) is only achievable by using credit which is something Sparkes (2019) also sees in his data. In this context, credit is argued to be transformative (Bernthal *et al.*, 2005).

Clothing

Clothing was the most frequently used form of conspicuous consumption in the data, whether it was purchased using credit, or purchased from charity shops. It is used to embody capital (Packard, 1961; Bourdieu, 1984) and demonstrates social worth (Veblen, [1899] 2009; Packard, 1961; Giddens, 1991; Douglas and Isherwood, 1996). It is also important for self-expression, communication and the construction of identity (Winslow, 1916; Veblen ([1899] 2009; Clarke 1990 cited Williams and Bendelow, 2005; Douglas and Isherwood, 1996; Tebbutt, 1983; Miller, 2010). The findings showed that parents made sure that their children complied with consumption norms surrounding clothing in and outside of school. Symbolic clothing was purchased, even if it had to be second-hand (usually for adults) and was an essential component in 'fitting in' and

[38] See Chapter 8: Findings Chapter Three: Achieving Emotional Satisfaction: Social Inclusion.

having good self-esteem. This is in accord with Veblen's theory of conspicuous consumption where he states that the inability to dress as societal custom dictates will cause one to 'feel shabby in comparison, not quite as good as other people, [and] we will not feel as respectable, and feel less status' ([1899] 2009). This was also evidenced in the works of Ponsford (2011), Clarke (2016) and Bannister *et al.* (2016).

Clothes not only communicate who a person is, but extant literature states that it can also constitute what a person becomes (Miller, 2010; Clarke, 2004). This is evidenced in the data where parents, some consciously and some unconsciously, understand that if their children are well presented with the correct social markers, they will attract a more favourable response in the education system, from other children but particularly from teachers, compared to the child who has a closer physical embodiment of poverty.

The parents base this understanding on their own experiences, and they recognize that a teacher may respond to a child who embodies less poverty differently in a way that is similar to the Pygmalion effect (Brookover, Rosenthal and Jacobson, 1969). This more favourable response, in the form of increased educational attention and support, shapes the child. In that way it changes who the child is through their formative years compared to if that same child had a parent who was unable to do the same. This increases their chances of doing well at school and then getting a better job in the future, thus avoiding the economic fate of their parents through the original increase in social capital.

The intergenerational investment in children’s social capital by their parents who are on the lowest social rung, potentially represents a novel finding that I am not aware of in the literature. It is not social reproduction in the Bordieuan sense because parents are hoping that their investment will create *more* favourable outcomes for their children than they experienced themselves but it is closer to Coleman's articulation of social capital which is discussed in the literature review. If it works, which could only be ascertained with further research, then this form of conspicuous consumption, which is achieved with credit, accords with Sparkes, in that it represents an ‘excellent investment in social capital’ (2019).

<u>Working Class Credit</u>

<u>Credit Essential for Consumption</u>

In this section, I shall compare the literature on working class credit with my findings. My findings are in accordance with the extant literature which states that credit is essential for the consumption needs of people on low incomes (Tebbutt, 1983; Berthoud and Kempson, 1992; Rowlingson and Kempson, 1994; Johnson, 1985; Calder, 1999; Rogaly *et al.*, 1999; Banerjee and Duflo, 2007; 2012; Westlake, 2011; Shildrick *et al.*, 2012; Graeber 2014; Davies *et al.*, 2016; Kamath and Ramanathan, 2016) and that it is increasingly necessary due to the austerity measures discussed earlier in this chapter (Montgomerie and Tepe-Belfrage, 2018; Sparkes, 2019).

Sparkes echoes Townsend (1979), stating that credit is used to 'develop styles of life' and can 'inculcate forms of socialisation which alter individuals' perception of their social position'. Sparkes argues that these effects do not last and result in 'the large accumulation of unsecured debt' and 'financial hardship' (2019:12). However, this was not found to be the case for the majority of my participants. Their use of credit does appear to enable mild to moderate improvements in the style of life, and also moves them from social exclusion to social inclusion with effects that appear to last. They seem to maintain their position in stage three of the theory with increases in positive emotion and financial resilience.[39]

The difference in the two groups might be based on their respective income levels. Sparkes participants are in a higher economic bracket with access to cheaper mainstream credit. My participants are so financially excluded that their access to credit is mediated by loan agents and further credit is dependent on their ability to repay the former loan. This makes the credit affordable and sustainable, and limits the risk of over-indebtedness. It seems to produce more beneficial effects with fewer downsides such as over-indebtedness. However, there are three instances in the data where change in circumstances renders a loan unaffordable, and as in a game of snakes and ladders, participants return to stage one with the attendant increase in worry, anxiety and depression because they are financially excluded again. This is reminiscent of Sparke's findings. They are however too financially excluded to obtain loans from

[39] See Chapter 8: Findings Chapter Three – Achieving Emotional Satisfaction.

anywhere else and therefore increases the anxiety and the risk because there is nowhere else to turn to, except for illegal lenders as predicted by Dearden *et al.* (2010).

Powerlessness and Agency

As mentioned in Chapter 3, extant literature describes the negative effects of credit and how it can contribute to feelings of powerlessness (Bernthal, 2005; Dearden *et al.*, 2010; Clifford *et al.*, 2014; Boelman *et al.*, 2016). But the absence of credit can make people feel equally powerless (Miller, 2008). Whilst the experiences of those in debt and the powerlessness they feel cannot be denied, conversely, this sample feel empowered by their borrowing. They report positive emotions when they are accepted for credit instead of 'decreditized'.[40] Access to credit, i.e., financial inclusion, makes the participants feel valued and improves their self-esteem. This is similar to the meaning inherent in the phrase 'she's a credit to you', meaning to be esteemed, to be valued. Conversely, the reaction of my participants to lacking access to credit is to feel worthless and not good enough, ergo 'decreditized'.

Credit can provide agency, power, choices and reduces feelings of powerlessness to the participants because it increases their capability to do that which they intend to do (Giddens, 1984), and could not do otherwise (Weber, 1978). It is a positive stepping-stone to getting the life they want (see also Bernthal *et al*., 2005; Munir, 2012; Corbucci,

[40] See Chapter 6: Findings Chapter One: Addressing Exclusion: Financial Exclusion: Emotional Reaction to Financial Exclusion.

2016). This contrasts with the powerlessness implied in the existing high cost credit literature (Bernthal *et al.*, 2005; Dearden *et al.*, 2010; Clifford *et al.*, 2014; Hsu, 2014; Montgomerie and Belfrage, 2018; Sparkes, 2019). It is, instead, more reflective of the 'empowering framework' which 'strengthens participants sense of themselves as active agents' (Lister, 2013).

High Cost Credit Exploitation

Working-class credit is understood to be exploitative (Kempson and Whyley, 1999; Taylor, 2002; Leyshon and Thrift, 2005; Campbell *et al.*, 2011; Dobbie and Skiba, 2011; Mendick, 2012; Gentlemen, 2013; Graeber, 2014; Microfinance Centre, 2014; Anderson, 2015; Falconer and Lane, 2017; Alexander, 2017; see also Providers in Chapter 2). Participants were very keen to describe the aggressive and exploitative practises of doorstep lenders and credit card providers they had experienced in the past.[41] And although Moneyline is a responsible lender, there are three instances as described in Chapter 7, where participants have experienced unwelcome lending practices by Moneyline[42].

This is an abuse of the economic fragility of the borrower, preys on temptation experienced living on a low income, and risks creating financial exclusion later on when the individual has a genuine purpose for the loan that they can now no longer satisfy.

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[41] See Chapter 6: Findings Chapter One: Financial Exclusion.
[42] See Moneyline Processes and Procedures in Chapter 7: Findings Chapter Two.

It is also an exploitation of the power difference and information asymmetry between the lender and the borrower. This aligns with the literature on the exploitative nature of working-class credit as described in Chapter 2. It is also reminiscent of the behaviour of the tallymen who were the precursor to the doorstep moneylender. They 'encouraged' repeat loans by making suggestions to housewives that they might 'need' certain items (see Johnson, 1985; Taylor, 2002 and O'Connell, 2009). Additionally, it exploits the future discounting effect that is stronger in people on low incomes (Redden, n.d.; Ainslie and Haslam, 1992; Gabaix and Laibson, 2017).

However, the rest of the participants used the examples of exploitative lenders to demonstrate the difference between the high-cost short-term credit they were used to, with the non-exploitative nature of Moneyline who provide credit in a way they had not experienced before; that is, with dignity and understanding. Moneyline's processes and procedures are understood to contribute to a more dignified provision of credit[43], and are in accord with the literature which acknowledges that the provision of HCST credit suits the needs of low-income families (Rowlingson and Kempson, 1994; Boelman, *et al.*, 2016; Alexander, 2017). But the findings from Chapter 6 demonstrate that commercial HCSTC may no longer be a good fit with contemporary low-income families in the UK who prefer automated payments and are not disposed to accept aggressive treatment from lenders.

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[43] See Moneyline Processes and Procedures in Chapter 7: Findings Chapter Two.

Insignificant Benefit of Responsible Credit

Lenton and Mosley state that personal lending CDFIs offer an ‘insignificant benefit to large number of people’ (2012:87) based on an assessment of the reduction in poverty. However, the term ‘insignificant’ is subjective, and what is insignificant to Lenton and Mosley may not be insignificant to people who use the service. I assert that responsible credit for personal lending does have a beneficial impact on the lives of the majority of participants because it reduces poverty based on the lived experience definition which was introduced in Chapter 3. By using Lister’s definition whereby poverty is measured by the ability of a person to be socially included in their society, we see that Moneyline is able to move people away from social exclusion and further along the continuum of social inclusion, thus reducing their levels of felt poverty. This appears to be a very important outcome based on the transformation of highly negative emotional states[44] to emotional satisfaction[45].

Lenton and Mosley also state that the ‘modus operandi of personal-lending CDFI’s….is to improve well-being by building the client’s financial capacity’ (2012:63) but they also cite Muhammed Ynus who states that ‘nothing’ more is required of microfinance except to lend money and get it back safely (cited Lenton and Mosley, 2012:155). This demonstrates an inconsistency in the argument which creates difficulties in evaluating

[44] See Chapter 6: Findings Chapter One: Emotional Reaction to Financial Exclusion.
[45] See Chapter 8: Findings Chapter Three.

the effectiveness of a CDFI. It is true that the default rate for this demographic is higher (Berthoud and Kempson, 1992; Hollis and Sweetman, 1998; Beddows and McAteer, 2014; Hsu, 2014; Rodrigues, 2017; Financial Services User Group, 2019), which might demonstrate that microfinance organisations are not successfully doing the only thing required of them, which is to get the money back safely. But this does not necessarily speak to the impact that the loan has on the individual.

Despite Lenton and Mosley claim that the intention of the CDFI is to improve well-being by building the client's financial capacity and that the benefit of personal lending to low-income individuals through CDFIs is largely insignificant, based on my findings, improvements in well-being and increases in financial capacity are achieved. Participants state that they have increased financial control and can better manage their household bills[46] as well as improve social inclusion levels for their families [47] as a result of using Moneyline's services.

Furthermore, there is evidence of a positive effect on the ability to save.[48] The impact on saving is particularly remarkable given the extensive literature described in Chapter 2 which demonstrates that people on low incomes find it very difficult to save anything over the medium to long-term. This is not due to a lack of inherent financial capacity;

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[46] See Increased Financial Management in Chapter 8: Findings Chapter Three: Emotions Replacing Feelings of Powerlessness and Lack of Control: Control.

[47] See Chapter 8: Findings Chapter Three.

[48] See Chapter 7: Findings Chapter Two: Moneyline Processes and Procedures: Automatic Savings and Delayed Withdrawals.

indeed there is literature to suggest that people on low incomes are highly effective money managers (Pember Reeves, 1913 cited Resolution Foundation (n.d.); Rutherford and Arora, 2009; Ponsford, 2014). But it is due to lacking the tools required to manage the little money they do have effectively. When they have the tools, such as access to responsible credit and delayed access to savings, their inherent capability can be put to full effect. As for saving, Lenton and Mosley state that 'CDFIs can help people out of poverty if it helps them to save' (2008:87), yet although there are benefits to participants as a result of saving, the evidence suggests that participants from Moneyline are no richer from an economic perspective because they now save, but rather, it adds to their sense of achievement and control.

Moneyline participants are very grateful for the opportunities afforded to them by access to credit.[49] Moneyline enabled people to pay for things such as funerals, a pram for a baby, a wedding and moving to a new house. These appear to be 'worthy' uses of credit if one attempts to apply socially sanctioned morality onto loan purposes. But as worthy as these things seem, providing Christmas presents for children appeared to be no lower down in social significance for participants as it meant that they were able to fulfil their role as parents (see above 'The Good Parent'). But it is worth emphasizing that this thesis is not a moral discussion of the worthiness or unworthiness of why people borrow money. It is a study of why people want credit, the impact of what they

[49] See Positive Consumption in Chapter 7: Findings Chapter Two: The Consumption of Credit.

buy with it, and the resulting emotional change that occurs as people move from financial and social exclusion to increased financial and social inclusion.

Moving from Ontological Insecurity to Ontological Security and the use of Credit

It has been explained how access to credit for people on low incomes increases control, agency and self-esteem and seems to have a beneficial impact on how ontologically secure the participants feel. Moneyline have adapted their offer in line with contemporary digital technology and their customers pay using direct debit to coincide with when their income is deposited into their account. This is an important feature which reduces participants' cognitive burden and 'sustain[s]' their 'sense of ontological security' due to the routine embedded in its technology. Routine is argued by Giddens to be 'psychologically relaxing' because it reduces the worry and anxiety related to debt collection (Taylor, 2002:133; see also Morduch and Schneider, 2017). It is interesting to note however that there is still a preference to use cash when spending what is left over (Rogaly *et al.*, 1999; Dayson and Vik, 2011; Westlake, 2011; Davies *et al.*, 2016) because participants feel that they have greater control over their spending which also contributes to feeling secure.

Other features of Moneyline's offer which promote the development of ontological security and psychological relaxation are the flexibility to restructure loans or offer payment holidays when the borrower faces an economic shock, as well as kind and understanding responses to defaults. This contrasts with the aggressive and stressful approach of doorstep lenders to the same circumstances. The insecurity, stress, worry and even ill health generated by the approach of the doorstep lender and credit card lender was described in vivid detail by participants in accord with much of the literature on credit, debt and over indebtedness (Dayson, 2004; Clifford *et al.*, 2014; Boelman *et al.*, 2016; Montgomerie and Tepe-Belfrage, 2018). Responsible lenders who operate in a flexible and understanding way create the sense of psychological relaxation Giddens describes and consequently is a strong contributory factor to the samples' sense of ontological security. These tools were described vividly by the participants and were clearly tried and tested. They have a deep understanding that Moneyline operate with a level of consistency which is important for ontological security because it creates trust, in addition to routine, which enable institutions to provide 'solidity' across time and space' (Giddens, 1984:24).

In contrast to Taylor whose work is based on doorstep lenders, the analysis of my data concludes that doorstep loans, which were formerly the credit option of choice for people on low incomes (Rowlingson and Kempson, 1994) are no longer so. This is because they create stress and anxiety due to the use of 'roll-over loans', high pressure sales tactics, the public nature of repayments and aggressive responses to default. That which formerly lent itself to ontological security now creates stress in a highly precarious world and participants prefer the modern automated repayment systems instead.

CHAPTER 10 – Conclusion

This study set out to explore the concept of high cost credit used by people on low incomes. It draws on Lister's definition of poverty which is based on lived experiences rather than a numerical cut off point. I spent over 60 hours talking to high cost credit customers from a Community Development Finance Institution (CDFI) where they generously shared their frustrations with credit, employment, benefit agencies and pay. They are deeply frustrated with financial exclusion and the way they are treated by commercial sub-prime credit institutions when their incomes fluctuate because a temporary job did not turn into the permanent position they were promised (again), or they are sanctioned, or their benefits have been cut, or a partner has left. They shared with me the pain that the memories of material lack from their childhoods caused, and how they desperately sought to avoid history repeating itself for their children. They talked to me about deep levels of sacrifice. How, despite using credit and sometimes from a number of different sources concurrently, it is still insufficient to meet all their needs. They explained how they scrimp and save, buy next to nothing for themselves, or exist on one meal a day to ensure that their children are fed. They were honest about the meaning of Christmas for them, and how important this season is to celebrate well and for parents to be able to give their children what other people have, even when that means borrowing money to purchase expensive presents. They shared the difficulties of moving into social housing with no carpeting and bare plaster walls but without the resources necessary to turn these empty shells into a home. These are deeply emotional concerns and it was a privilege to be allowed an insight into their lives.

They also shared the joys of being able to resolve the most urgent of these concerns by using credit provided by Moneyline and how happy, as well as relieved they felt when finally, they were accepted for a loan. The elation to be able to buy a clutch of brand-new Christmas presents for your children for the very first time. The warmth of not having to scrimp on your heating because you've found a way to manage uneven and scant income by using loans to even out the expenditure. Security, control and confidence oozed from the participants when they described life after finding Moneyline. The emotional journey they felt was described in ways that were unambiguous both in discourse and physical presence and clear in every interview.

By using Lister's lived experience perspective, this study provides some evidence that high cost credit can help participants reduce poverty. This may explain why participants appeared to have such strong emotional ties to Moneyline, even referring to them in parental and religious ways, because the loans enable them to reduce the worst effects of poverty. In that sense, this study contributes to the academic field of microfinance as positively reducing poverty, or the effects of poverty, from the position of lived experience.

Methodology

In order to understand the lived experience of the participants with respect to credit, I primarily used Glaser and Strauss's grounded theory, with additional reference to Glaser's later works. It was expected that this methodology would result in unexpected findings which were not found in prior literature reviews, and caution was given to be aware that prior literature had the potential to derail the researcher as it can cause one to force the data to fit logical deductions and create bias (Glaser and Strauss, 2006 [1967]; Glaser, 1992; Glaser, 1998; Backkman, and Kyngas, 1999; Glaser, 2009). This is why it is recommended to not read any literature in advance of data collection. It minimises the effect of researcher bias and allows the topics which really matter to the participants to be revealed through the use of open questions, followed by theoretical sampling based on the emerging responses.

Glaser and Strauss also acknowledge that the researcher is likely to have done some prior reading, which I did, but the method's core process of constant comparative analysis, together with theoretical sampling, is designed to ensure that only the core categories which 'fit' and 'work' remain, which was the case. Another benefit of this method is that even if you think you know what the research question formulated in advance of the research is, the process will draw out what the 'essential matters' are from the participants' perspective. This may cause the research question to change during the data collection (Glaser, 1978). I did not have a defined research question when I started, but I did have some logical deductions, which, as I described in the methodology chapter, proved to be dead ends once they were subjected to the process of constant comparative analysis.

I received such an outpouring of emotion from my participants who, when given free rein to express their situation, unencumbered by the restraints of a survey, diaries, or structured questions (Gibson, 1998), were able to get right to the root of why it is so important to them to have access to credit. They were driven to satisfy their emotional needs and, in the process, created a sense of security. Grounded theory has been a rewarding methodological choice because it has led to a richness of data and results which I do not believe I would have obtained using a different method.

This notwithstanding, using grounded theory in a doctoral program had its challenges. Firstly, the institutional requirement of including a literature review in the first-year milestone report (Glaser, 1998; Nagel, *et al.*, 2015) means that I did complete a literature review contrary to the recommendation not to do one. A new doctoral student is not usually sure enough of themselves or their methodological choices at this point to risk not complying fully with the institutional requirements, nor are they usually in a position to argue for an alternative. I was not exempt from this as I was eager to please and wanted to pass. However, it should be noted that *Discovery* is not completely clear cut on the issue of prior literature reviews. Additionally, Glaser is on record as saying that if one has to be done, so be it, but to be cognisant that it may turn out to be completely irrelevant (Glaser, 2010).

Secondly, supervisors and internal examiners are not always familiar with grounded theory or are only familiar with 'their' version of grounded theory (Nagel *et al.*, 2015). Furthermore, one 'only fully understand[s] GT once you start doing it' (Glaser, 2009) and therefore it is very difficult to defend in mid-process assessments until the end. This did occur during my second-year oral examination where the examiner insisted that, because I had used some quantitative data, my work could not be grounded theory. However, my research is not quantitative as the statistics I use are descriptive rather than inferential, and secondly, even if it were, 'all is data' (Glaser, 1998). Furthermore, it is completely acceptable and there is historical precedent to conduct a quantitative grounded theory (Glaser and Straus, 2006 [1967]; Glaser, 2008; Johnson, 2008). I use this example to demonstrate that it is hard to use this theory when academic superiors are not well versed in it themselves. It required a large amount of belief in the method and confidence to persist with it in the face of erroneous criticism. This misunderstanding of grounded theory by an otherwise brilliant examiner created doubt, increased confusion and had a temporary deleterious effect on my confidence as a researcher.

Thirdly, there can be a lack of adequate training in the institution sufficient to support the student in using a challenging and less understood method (Nagel *et al.*, 2015). Whilst this can be true, I was fortunate to attend a residential training course in grounded theory, run by the Grounded Theory Institute which is Dr Glaser's official GT institute. This cemented the ideas I had read in *Discovery,* and Helen Scott, a Fellow of the Grounded Institute was generous with her time and advice and provided challenges to ensure I was adhering to the GT processes.

Finally, I found it challenging to navigate the 'confusion, overwhelm and depression', and demotivation that Glaser warns will arise when the researcher is trying to formulate concepts (Glaser, 1998; 2009). I did not realise how true this would be (made worse by the comments of the above-mentioned examiner) and whilst I did not experience clinical depression, it was a disheartening and frustrating part of the process resulting in much cursing and gnashing of teeth as to why I ever chose this method in the first place. However, when that ‘eureka’ moment occurred and I was able to clearly ascertain the core concepts, as Glaser (2009) assures it would, all was forgiven!

Using grounded theory has enabled me to appreciate the lived experience of the participants and understand the things that matter to them and what they are resolving by using credit. The participants were overwhelmingly generous with their time and experience and I never lost sight of the privilege I felt when welcomed into their homes. They allowed me to ask what were at times probing, difficult, and taboo-like questions about money, where they get it from, how they use it and why. On reflection, grounded theory has been an overwhelmingly successful methodological choice for this research study, but not without bumps in the road. I had to approach it reflectively in order to make it work for a PhD. But the constant comparative method, when applied consistently, ensured that personal interest, stereotypes, logical deductions and preconceived ideas were analysed out of the final theory in favour of what can only be found in the data to ‘fit’ and ‘work’ with the substantive field, which I believe this theory does.

Findings

So far, this chapter has reflected on the lived experience of participants and the use of grounded theory to research that lived experience. The following section provides a summary of the resulting findings and their theoretical implications.

Financial and social exclusion create highly negative emotional states. People on the lowest incomes are unable to meet their expenditure requirements through income alone as it often requires lump sums which they do not have due to a lack of savings. This creates *material insufficiency*, and resolving it is the core concern of the participants. When they attempt to get credit to meet their material/social needs, they find that there are very few or no options available and they are thus financially excluded due to poor credit scores and low incomes. Financial exclusion creates highly negative emotional states such as 'devastation', 'desperation', 'anger', 'worry', 'feeling screwed', 'low', 'jealous', 'panicky', 'pissed off', 'a struggle', 'upset', 'gutted' and 'anxiety'. When they are subsequently unable to purchase particularly symbolic goods or partake in normal social activities due to a lack of money, they experience social exclusion. In response to this, participants expressed feelings of 'guilt', of 'letting people down', a feeling of 'uselessness', 'feeling like scum', 'embarrassment', 'feeling left out', and feeling negatively 'judged'.

The response to negative emotional states is to act to address their cause. Participants acted to address the cause of their negative emotional state by engaging in the *Material*

Purchase of Emotion. This was an action derived through practical consciousness rather than being directly thought out to address their negative state. Chance, local knowledge and in some instances, social capital, brought them into contact with Moneyline who provide 'responsible'[50] forms of high cost credit. The nature of the credit's provision appeared to transform participants' relationship with money and created a structure within which they could successfully save after never having been able to save before. Also, when facing defaults, instead of sending formal and legal letters which participants found difficult to deal with, Moneyline adopts a caring and customer-centric practise of asking 'how can we help you?'. They often restructured loans, restructured interest payments or provided short payment holidays to help participants to manage financial crises. These practices gave participants greater peace of mind as they developed an ontological 'knowing', based on their previous experiences with Moneyline, that they would be helped instead of turned away or aggressively administered against. This reduced a key source of financial anxiety.

Emotional satisfaction and ontological security are created as a result of finding responsible credit which enables participants to address their material insufficiency. Participants expressed certainty that Moneyline would be able to help them regardless of the volatile nature of their incomes or economic shocks. This is based on their prior experience with Moneyline which they contrast with the experiences they have had with other commercial credit providers. This creates a sense of ontological security

[50] https://responsiblefinance.org.uk/ accessed 03/01/2020

despite their precarious economic circumstances which was expressed by describing Moneyline as being like their ‘parents’, ‘lifeline’, ‘saviour’, ‘backbone’, ‘support’, ‘private support network’, ‘lifesaver’ and ‘financial advisor’. These are very strong terms which are parental, supportive or religious in nature and demonstrate the strength of the relationship the participants have with Moneyline and how they depend on them for their deeply held sense of security. Using Moneyline allows participants to make symbolically important purchases. This enables them to transform their negative emotional response to financial and social exclusion into positive emotional responses. The positive responses to financial inclusion include increased self-esteem, respect, happiness, confidence, safety and security, and control. Those which are generated due to social inclusion are pride, normalcy, feeling like a good parent, increased self-esteem, safety and security and happiness.

These three core findings became the three stages of the grounded theory *Finding Ontological Security in a World of Precarity.*

Theoretical Implications

The strongest theoretical implications of *Finding Ontological Security in a World of Precarity* lie in the established academic fields of working-class credit, microfinance, and the sociology of emotions. To a lesser extent, this study also contributes to the literature on the social meanings of money, poverty and consumption, but this section will focus on the strongest three theoretical implications.

There is a literature on the use of working-class credit, which usually concerns high cost credit such as doorstep lenders. There are examples within the data which concur with the concept of working class credit as exploitative as identified by Taylor (2002), Leyshon and Thrift (2005), Dobbie and Skiba (2011), Campbell *et al.* (2011), Mendick (2012), Graeber (2014), Anderson (2015), and Falconer and Lane (2017). But most of the instances described were when participants used commercial lenders prior to using Moneyline, (although a few isolated instances of perceived exploitation did appear to be present when describing Moneyline). The vast majority of Moneyline customers experience credit in ways that contradict this concept and are more aligned to Rowlingson and Kempson (1994), Boelman, *et al.* (2016), and Alexander (2017) who are critical of the high cost credit as exploitative. Instead, they acknowledge the beneficial features of working-class credit which meet the needs of low-income families such as flexible short-term loans with a fixed cost of credit.

This study extends that understanding to appreciate the transformative effect credit can have on the lives of people on low incomes by providing a sense of ontological security, and moves the debate away from the binary of exploitation versus non-exploitation. The transformative effect seems to occur when credit is provided in a responsible way to ensure that loans are affordable. Moneyline considers the wide income variability experienced by this demographic and responds with careful solutions rather than aggression to defaults. The products are innovative and offer services that meet participants' needs, such as delayed access savings products and, as of late 2019, which was too late to include in this research, low-cost contents insurance which is rarely afforded to this demographic.

There is a wealth of academic research into microfinance but most of it is situated in developing countries and is not easily transferable to the UK position. Furthermore, an enterprise-based definition of European microfinance means that studies on personal lending microfinance are scant. Where it is discussed, it is as an aside rather than the primary focus of the study (Lenton and Mosley, 2012). Therefore, this study makes a strong and original contribution to the field of microfinance in three ways. Firstly, it concerns itself with personal-lending. Secondly, it is situated in the UK, and thirdly, it explores the issue from a qualitative position of the lived experience of those that use it, which has initiated a new understanding of the role of small short-term high-cost lending to financially excluded individuals.

Whilst Lenton and Mosley (2012) consider the impact of CDFI's (a form of microfinance) in the UK to be 'insignificant', Swack *et al.* (2014) state that its biggest impact lies in the reduction of financial exclusion which is in accord with this study. That notwithstanding, an equally important impact related to financial inclusion which this study finds, is the role CDFIs play to radically transform the emotional landscape of the individual who borrows from a personal-lending CDFI such as Moneyline. Further research would have to be carried out to establish if the findings from Moneyline customers can be replicated with those of other UK CDFIs.

The sociology of emotion is a relatively new field of research which saw a resurgence in the mid 1980's. It was a field which I did not anticipate would become an integral part of this grounded theory regarding the use of credit by low income families. The key basic social process inherent in the theory *Finding Ontological Security in a World of Precarity*, (that is, the role of negative emotions and social acceptance as a motivating force propelling an individual to act by purchasing symbolic goods in order to be socially accepted to generate positive emotions), is in accord with Smith (2002 [1759]) and Sayer (2011). This study is important because it contributes ground-breaking original empirical evidence in support of Smith's grand theory which I have hitherto been unable to find elsewhere.

The emotional distress caused by financial and social exclusion is also aligned to the field of mental health, and there is research to support the idea that debt and poverty is associated with poor mental health (Fitch *et al.*, 2011; Hirsch *et al.*, 2012; Shildrick *et al.*, 2012; Ier.org.uk., 2015; MacInnes *et al.*, 2015; Cowburn, 2017; Samaritans, 2017; Lewis *et al.*, 2018; NHS Providers, 2019). This study supports that research linking debt and poverty to worsening mental health, and the presence of recent articles demonstrates that this is an important issue which requires further study. This study demonstrates that there is the potential to support people in their poverty by improving the lived experience of it through access to responsible finance. This can reduce the damaging effects of poverty and debt which might operate through the nexus of shame and insecurity (Ier.org.uk., 2015; Lister, 2017) to potentially improve mental health.

Acknowledging the role of emotions in the use of high cost credit helps enhance understanding of why people use it. By understanding the emotional impact of the purchases made with credit, we can start to comprehend why paying a high interest rate when you are low on financial capital is a completely logical thing to do. It is logical because it enables participants to increase their and their families' emotional, social, cultural and symbolic capital. It is impossible to put a financial metric on the cost of seeing your child suffer the indignities you yourself suffered as a result of material insufficiency. But it might be possible to make the claim that this cost is greater than the cost of the interest and that interest payments might be a form of investment which generate an emotional, social, cultural or symbolic dividend.

This study is in accord with the theoretical claim that relationships are expressed and preserved through the use of material goods for which money is required for their purchase (Miller, 1998; Swedberg, 2003; Miller, 2004; Lave cited Zelizer, 2005; Granovetter, 2011; Zelizer, 2012). This study extends that claim by demonstrating that participants, who are on extremely low incomes, will pay high rates of interest for access to credit in order to express their relationships in this way. Participants show that demonstrating love, fulfilling your role as a parent and attaining social acceptance is more important than paying over 200 percent interest on the money you need to borrow to achieve these things.

Related to the social meaning of money is the concept of the 'Good Mother'. The literature in this field concentrates specifically on the role of mothers (Rothman, 2004;

Lupton, 2012; Ponsford, 2011, 2014; Olsen *et al*., 2015; Banister *et al.*, 2016) but this study extends that concept to include fathers too (see also Martens, Southerton and Scott, 2004). The fathers in this study demonstrated similar levels of anxiety, worry and care as that expressed in the literature as pertaining to women. As women are usually the care givers, studies might attribute their feelings as being inherently female. But it is possible that these emotions are better ascribed to the role of parenting and not being able to be a 'good parent', rather than being a female phenomenon. This could be a very interesting field of future research.

Strengths and Limitations

The strength of this research is the rich, detailed and emotional stories that the participants shared with me. Their narratives included historical accounts of their childhood memories and the impact this had on their current actions and desire to protect their families. I have to acknowledge that this may be the result of the nature of the interaction I had with them which enabled them to talk about their emotions and to construct it in a particular way.

I developed empathy to the point where I joined in with some of their tears at times. On reflection, whilst this appears unprofessional, I felt unable to respond in anything other than a truly authentic fashion, and this genuine reaction may well have served to increase the levels of trust between me and the participants. This undoubtedly had an impact on the nature of the data I generated which I consider to be a huge strength of the thesis. I was able to develop an empathic rapport with my participants that meant that I was able to draw very deep emotional insights out of these interviews. There may be a cost to this in that there may have been areas I did not explore as a result. What I did access were the really important emotional experiences that people had, and the fact that participants wanted to construct their relationship with Moneyline through an emotional lens or an emotional frame. This is very important as it makes an original contribution to knowledge. That is not to say that other researchers would not have done an excellent job and come to equally useful conclusions, but it may be that they would have been different ones.

I do appreciate that I could be subject to the charge of 'going native' with such an emphatic approach and becoming so involved or sympathetic to my participants that I risked losing objectivity. However, this risk was mitigated by only meeting participants once. This ensured that there was always a clear division of role between the researcher and the researched. Also, I recorded the interviews, transcribed them in full, coded them in their entirety and conducted constant comparative analysis of them. By being so comprehensive with the data I was not able to selectively remember only the incidents which aligned with 'my' narrative rather than that of the participants.

Future Research Directions

This qualitative research project has identified key findings using a grounded theory method to create the theory *Finding Ontological Security in a World of Precarity.*

However, due to the small-scale nature of the research and other limitations such as the self-selection bias of participants who have come from only one UK CDFI, the findings are not generalisable. Therefore, I propose that the next stage of this research would be to conduct a large-scale quantitative survey based on the findings of this study, to ascertain if the findings are true for participants of other CDFI's, but also, credit unions and commercial sub-prime credit organisations. This would then tell us much more about the role high cost credit plays in the lives of people on low incomes and if the findings of this study are replicable. However, the roll out of Universal Credit, and the impact of Brexit may exert pressure on people's finances to the extent that the positive impacts delineated in this thesis might be compromised as people find their disposable income further reduced and have less ability to service loans in the way they did before the implementation of Universal Credit. Should Brexit have a strong inflationary consequence, this might also alter the budgets of the target demographic. This would need to be taken into consideration should results of any further quantitative studies demonstrate unpredicted results which are not in line with the key impacts described in this research.

Despite the literature on gendered differences in emotional responses (Duncombe and Marsden, 2005; Shields *et al.*, 2006) which is argued to be deeply embedded as a result of socialisation since childhood (Hothschild, 1979; Williams and Bendelow, 1996), there is also literature to suggest that one of the most pervasive stereotypes about emotion is that its expression varies according to gender (Shields, *et al.*, 2006). Furthermore, studies on the gendered expressions of emotion can sometimes fail to consider the context within with the emotion is situated (Shields, *et al.*, 2006) which would also need to be taken into consideration to properly understand the emotion under study. My findings did not appear to demonstrate a gendered difference in the emotional responses by participants to financial and social exclusion. However, the sample is not large enough to make a conclusive statement on this, and it would make a very interesting further study to look at the gendered difference in emotional responses to financial and social exclusion to understand whether gender or circumstance drives the emotional response. Much more work is needed on this and it deserves its own study.

Linked to this is the literature on the 'good mother'. There is some evidence in my data to suggest that this is less of a gender construct and more one that affects all primary carers. Therefore, a study on this issue, and I would favour a grounded theory approach to this work, would be particularly illuminating. This could extend the research of the 'good mother' and has the potential to create an original contribution to knowledge.

Another piece of research I propose as a result of emerging data from my participants is on the link between poverty, responsible forms of credit and mental health outcomes. There is strong evidence in the data to agree with NHS Providers (2019) who argue that the core factor for the increased need for mental health services is the high and increasing levels of economic deprivation. A study specifically addressing the role of responsible credit in reducing the incidence and expression of mental health disorders would make an important contribution to the field of credit research. A good approach to this work might involve a mixed methods approach including before and after surveys of diagnosed mental health outcomes and the use of a randomised controlled trial to ascertain the impact of responsible credit compared to the impact of commercial credit on mental health outcomes.

Finally, there is a strong interest worldwide in policy aimed at alleviating poverty (Kamath and Ramanathan, 2016). But the majority of the solutions are based on telling the poor to 'pull themselves up by their bootstraps' (Kamath and Ramanathan, 2016:435) and change their behaviour (O'Connor 2001). They are advised to engage more with the market and to rely less on state subsidies (Kamath and Ramanathan, 2016). But there is an emergence of poverty literature of which this is one, that engages with the theory of emotions related to the lived experience of poverty (Kamath and Ramanathan, 2016; Morduch and Schneider, 2017; Montgomerie and Tepe-Belfrage, 2018; Longhurst and Hargreaves, 2019; Sparkes, 2019). It would be helpful at this stage of the emerging debate for a systematic literature review to be published which establishes the existing knowledge concerning the emotions and the lived experience of poverty. This would expand the frameworks used by poverty researchers and behavioural economists as well as ascertain the gaps in knowledge for further research.

The Middle Class Gaze

The challenge arising from this research, which has important implications for future research, is the concept of the middle-class gaze. Research, existing literature and policies are often framed through a middle-class lens which causes organisations such as Moneyline to be viewed negatively due to their high interest rates. When I reflect on my position at the start of this PHD, I realise that my participants have given me a unique insight into their lives. I was very sceptical about the value of a financial institution that charges interest rates in excess of 200%. I agreed with the discourse that claimed that this was exploitative and felt that it was not right that the poorest people in society pay the highest cost for access to credit, even if they do represent a higher risk of default. But the majority of participants told me that the interest rate was low in comparison to the rates available to them elsewhere and would say things like "they've got the lowest interest rates and it just makes sense to go to them" (Jason) or that the interest rate "does not bother me … at all" (Andrea).

Additionally, despite experiencing some of my childhood in a household with a relatively low income in an area of high economic deprivation, and being in receipt of free school meals and free school uniforms, my current privileged position prevented me from understanding why participants did not save up in advance for the things they wanted to buy. I believed that it would make much more sense if they could save and avoid paying huge amounts in interest payments. This is because, despite its low income, I grew up in a credit averse family. Another reason I thought this is because I am not immune, at least when starting a piece of research, from viewing the problem through a middle-class or neo-liberal lens.

Despite my clumsy attempts to question participants on this, they graciously and patiently explained why they did not save, although it took quite a few participants to explain this to me before I understood. They described how it did not make sense to save whilst living in circumstances of financial and material uncertainty as there is always something, an emergency, which you will need the money for; or spending on ‘crap’, which most of us do but have the slack to absorb it and not derail our long-term financial plans. By using credit, they were engaging in ‘reverse saving’ (Banerjee and Duflo, 2007) and they pay the interest as a ‘commitment device’ (Casaburi and Macchiavello, 2016) to ensure they have the lump sums available when they need it. I do not convey here the emotional depth behind these analytical explanations. There was genuine confusion by a minority at the concept of saving in advance, it was considered a genuinely illogical thing to do from their perspective of financial and social uncertainty and a background of material lack.

My participants have taken me on their journey to cause me to realise, whether it is true that they have more ontological security or not, that they certainly feel that they have it as a result of using Moneyline. Despite the high interest rate, they feel greater financial security, they feel increased financial control and they experience less anxiety. They are happier and feel more confident and self-assured. This forced me to look at my own privileged gaze and the wider middle-class gaze and question if the problem is indeed our perception, rather than their use of credit.

Academia, particularly in the field of poverty studies, needs to use methodologies which include mechanisms to limit the effect of researcher’s unconscious biases and assumptions which have an impact on how the research is structured. It can affect the questions which are asked and can sometimes put the cart before the horse. I'm thinking here particularly of Lenton and Mosley's questionnaire which included cessation of smoking and taking up of exercise as measures of poverty reduction, and the original financial diaries which said very little about the underlying motivations for spending.

The needs and wishes of people on low incomes who want credit and are prepared to pay for it, on reasonable terms, needs to be further examined as this research seems to indicate that it has the potential to make their lives better. My participants have told me that Moneyline makes their lives better. Making it harder for people on low incomes to access credit will only make their lives worse by increasing precariousness and social exclusion. A very good example of this was the interest rate cap the FCA placed on pay day loans. This forced businesses out of the market and reduced the supply of credit which had the negative unintended consequences of increasing defaults on primary creditors such as council tax and utility bills. It also possibly increased the use of illegal lenders. This is a key example which demonstrates a lack of understanding about the needs of people on low incomes and a class-based policy that was not grounded in the lived experience.

In summary, the middle-class way of viewing this demographic and their spending has got in the way of sociological research and analysis, and a core recommendation of this thesis is to create research plans that put the participants at the heart of research to truly listen to their perspective. Researchers in this field really have to address their own assumptions and unconscious biases in order to find out what is actually happening in the field. This is because effective solutions to the problem can only be created when you understand the issues as they affect participants in their world, not what we would have them do in ours.

Recommendations

This study set out to explore the concept of high cost credit use by people on low incomes. It has identified that emotional distress is associated with financial and social exclusion and material lack. I have asserted that participants use high cost credit to purchase symbolic goods to participate in consumption norms for themselves, or their family in order to move from a negative emotional state to a positive one. When they discover Moneyline in their search for a lender, they find a source of credit which creates a sense of ontological security to replace feelings of ontological insecurity. The theoretical literature on this subject, specifically in the context of credit use in the UK, is scant, mainly because the sector is small and most CDFIs and microfinance is aimed at enterprise rather than personal lending. General opinion and popular narrative regarding high cost credit is viewed through a middle-class lens which considers its high cost exploitative as described above. This might explain the general lack of academic study in this field due to a reluctance to fund academic studies pertaining to the high cost of credit. However, this research endeavoured to understand why people on low incomes use high cost credit and established that participants have derived emotional and social benefits from its use and their feelings of financial exclusion have diminished.

This may not be a popular position due to the prevailing view that high cost credit is exploitative (Kempson and Whyley, 1999; Taylor, 2002; Leyshon and Thrift, 2005; Littwin, 2008; Campbell *et al*., 2011; Lenton and Mosley, 2012; Gentleman, 2013; Anderson, 2015), but it is a very important step in understanding the credit needs of people on low incomes and providing the services which meet those needs.

Implications of the Study and Final Words

The findings of this study have a number of practical implications. The first implication of my findings is that responsible credit appears to transform lives for people on low incomes. It replaces ontological insecurity with ontological security and helps people to live closer to the style of life that is normal in our society. Responsible credit provides the mechanism which enables individuals to do this sustainably over the long term and reduces the anxiety and stress that so often accompanies the use of commercial high cost credit. It reduces the emotional burden that is created by living on a low income thereby reducing some of the negative effects generated by the lived reality of poverty.

The second principle implication is that responsible credit increases financial and social inclusion by providing the money necessary to purchase symbolic goods. A further implication is that money is deeply social and that social needs are as important as functional needs to the extent that participants will make deep personal sacrifices to ensure appropriate levels of consumption. People are borrowing money to meet social needs that are pressing and important to them.

The final key implication of my study is that credit can transform lives and build financial and emotional resilience. Participants demonstrate a deep ontological understanding that Moneyline will help them, no matter what the circumstances. This knowledge provides a buffer which helps individuals cope with the economic uncertainties which are characteristic of their lives.

As Christine says, “It’s not getting access to credit itself but what the credit can do for me”. *U*nderstanding that, what the credit can do for participants, as this thesis has sought to do, has answered the underlying question of why people on low incomes use high cost credit.

I stated in the introduction that I hoped that my participants’ powerful stories and this thesis would challenge and illuminate popular assumptions about high cost credit for people on low incomes and develop an in-depth, contemporary understanding about the role credit plays in their lives. I believe that this was achieved.

On reflection, when I started this research, I did assume people would be borrowing to ‘waste' money to buy super large televisions and ‘unnecessary’ Christmas gifts based on the stereotypes I had been exposed to in the media and ‘poverty porn’. I was convinced that Moneyline’s interest rate was excessive and exploitative and I could not understand why people would pay those kinds of sums for credit when they could just save instead. The reality I examined close up and in detail after hours of conversation and observation was nothing like the stereotypes and myths about 'the poor' that I had unconsciously absorbed. Conducting this research has caused me to examine and challenge my own interests, stereotypes and preconceived ideas to better understand the lived experience of the participants, and the real and painful emotions which motivate their actions. My own understanding of the role of credit and its importance in the lives of people on low incomes has been revolutionised, and it is my hope that after reading this thesis, that yours has been too.

Appendices

Appendix 1 -Consent Letter

Name and Address of Researcher

Name and Address of Supervisor

A sociological exploration of why consumption of High Cost Short Term Credit, specifically microfinance, occurs in the low income sections of the population in the UK

- I have read and understood the information sheet for the above study and I have had the opportunity to ask questions.

- My participation is voluntary, and I am free to withdraw my participation at any time with no consequences.

- I agree to take part in the above study.

- My personal details will be anonymous.

- I agree to interviews being audio recorded.

- I agree to the use of anonymised quotes in publications.

- Any details which might personally identify me will not be used in published materials.

- I have received a £20 shopping voucher from Gisela Mann.

- Any complaints can be addressed to Professor xxxx xxxxxx (details above) or xxxx xxxxx (Compliance Manager, Moneyline) on 01254 271866 or email address of compliance officer

___________________	_______________	_______________
Name of Participant	Date	Signature
___________________	_______________	_______________
Name of Researcher	Date	Signature

Appendix 2 – Letter of Invitation

Name and Address of Researcher

Hello,

My name is Gisela Mann and I'm currently working on a research project alongside Moneyline as part of my studies at Salford University.

As you are a valued Moneyline customer, I would like to invite you to take part in my research project to find out how Moneyline and the loans and services it provides for its customers impacts on people's lives. The research project would involve you meeting with me for around an hour (to be arranged at a time and place suitable for you, such as your home, Moneyline branch or library) to talk about the impact Moneyline has had on your life. A £20 shopping voucher will be given as a thank you for taking part and if it is something you enjoy taking part in, there are opportunities to get involved again over the next few months.

Please be assured that the research will be confidential and any responses you provide will be used for research purposes only. If this sounds like something you would be interested in getting involved with, please get in touch by 29 September, either by phone on xxxxxxxx, or email at xxxxxxxxxxxxxx, and I can provide you with further information.

Yours Sincerely

Gisela Mann

Ph.D. Student

Appendix 3 – Information Letter

Information Sheet

Why People in Low Income Households Use High Cost Credit

My name is Gisela Mann and I am a Ph.D. student at the University of Salford. Thank you for responding to the invitation to take part in my research. The information included in this letter should answer any questions you may have. Please take time to read it carefully and if anything you read is not clear or if you would like more information please contact me on xxxxxxxxx.

I would like to find out how using loans affects people's lives in different practical, social and emotional ways. I would like to interview 20 Moneyline customers over one year to talk about the sort of things you buy with the loans, for example, at Christmas, and give you the opportunity to tell me why these things are important and what life would be like if you couldn't find a way to afford them. I will use the information to write my degree paper and I will also use the information to write journal articles.

You have been chosen because you use Moneyline services. It is up to you to decide whether to take part or not, and your decision will not affect your relationship with Moneyline. If you do decide to take part you will be asked to sign a consent form. Moneyline will not know who has or has not agreed to take part.

The first interview will take about 1 hour and to thank you for your time, you will receive a £20 shopping voucher. Participation is voluntary and you can decide to leave the study at any time.

Some people may have the opportunity to take part in more interviews during the year to talk about any changes that have happened in your life and how this affects you and your finances. You do not have to agree to extra interviews if you do not want to. Your convenience is important, so you can decide whether to meet in a Moneyline office, in your home, or at another suitable location such as the university or a library, it is your choice.

Please be assured that all the information you give to me will be anonymous, and none of your personal details will be given to Moneyline. An audio recording of the interview will be made so that I can accurately remember our conversation. Information collected from you during the interviews will be held on a database so that other researchers may be able to use it, but it will NOT contain personal or identifiable details. The funding for this project has come from Moneyline, the Engineering and Physical Sciences Research Council and Salford University. The project has been ethically approved by the Research Ethics Committee at Salford University and the Compliance Manager at Moneyline. My supervisors are Professor xxxx xxxxxx, who is the Professor of Social and Cultural Innovation, and Dr. xxxxxx xxxxxxx who is a senior lecturer in social policy and the sociology of culture.

Any complaints can be addressed to Professor xxxx xxxxxx on xxx xxx xxxx or xxxxxxx@salford.ac.uk. If you prefer, you can contact Jane Shears (Compliance Manager, Moneyline) on xxxxx xxxxxx or xxxx.xxxxxx@moneyline-uk.com.

Yours Sincerely

Gisela Mann

Appendix 4 – Email Invitation

Dear << Test First Name >>,

Moneyline and Salford University are working together to carry out some exciting new research into Moneyline services and we would like to invite you to take part in this research project. This will involve meeting with me for around an hour to talk about the impact Moneyline has had on your life.

A **£20 shopping voucher** will be given as a thank you for taking part.

I have attached a letter of invitation, (click here to view https://gallery.mailchimp.com/500254ba2ea85b615a984a988/files/511c2579-8b7f-4ca3-900b-cbd54ad2b75d/Letter_of_invitation_version_7.pdf)

and an information sheet (click here to viewhttps://gallery.mailchimp.com/500254ba2ea85b615a984a988/files/18126812-a69d-4087-b0cc-e359fbbc2723/Participant_information_sheet_version_10.pdf)

which contains more details about the research and what it means for you. It also outlines the opportunity to take part in additional interviews in the future.

If you would like to take part, **please reply by 29th September 2017** by **responding to this email** or by contacting me on **xxxxxxxx**.

Many Thanks,

Gisela Mann

Ph.D. Student/Researcher

Salford University

xxxxxxxx

x.xxxx@edu.salford.ac.uk

Appendix 5 – Number and proportion of individuals in households below MIS and below 75% of MIS, 2008/09 and 2016/17

	Number below MIS (millions)		Proportion below MIS		Number below 75% of MIS (millions)		Proportion below 75% of MIS	
	2008/09	**2016/17**	**2008/09**	**2016/17**	**2008/09**	**2016/17**	**2008/09**	**2016/17**
All	16.5	18.7	27.2%	29.0%	10.2	10.8	16.9%	16.8%
Working-age adults	10.0	10.8	27.4%	28.7%	6.5	6.7	18.0%	17.8%
Children	5.1	5.8	39.6%	42.5%	3.1	3.2	23.8%	23.8%
Pensioners	1.4	2.1	12.3%	16.0%	0.6	0.9	5.5%	6.9%
Subgroups								
Children with lone parents	2.1	2.2	68.5%	71.8%	1.3	1.4	43.1%	45.9%
Children with couple parents	3.1	3.6	30.8%	34.0%	1.8	1.8	17.8%	17.3%
Parents	4.3	4.9	32.4%	35.2%	2.6	2.7	19.6%	19.5%
Single working-age adults, no children	3.8	3.9	36.2%	34.4%	2.7	2.8	25.9%	24.3%
Couple working-age adults, no children	1.9	2.0	15.1%	15.9%	1.2	1.2	9.7%	9.8%
Single pensioners	0.7	1.3	15.9%	26.7%	0.3	0.6	7.2%	11.8%
Couple pensioners	0.7	0.8	10.0%	9.9%	0.3	0.3	4.4%	4.0%

Source: Stone, Padley and Hirsch, 2019

Appendix 6 – Memo on the Use of Constant Comparative Analysis

How the Use of Constant Comparative Analysis can verify an *A Priori* Concept out of the Theory.

Interview 1

Me: "Well, you know you've got those benefit programmes"
Participant: "Aww, don't get me started. Flipping Gogglebox."

This is my first surprise. I've started talking about benefit programmes, and the participant refers to Gogglebox, which isn't a benefit programme. But then they do go on to describe their thoughts about the programmes.

Participant: "These benefit frigging programmes. Why can't they come to somewhere like this to my area, deprived areas like this instead of Manchester or Birmingham. What's the point? Why can't they come and do one around here? They'll see what it's like then to be on benefits. It's fake. All of them are fake. They need to start showing people how they are living. Not these fake gits on there. Why does it always have to be around Birmingham, Manchester and London? Them three places all the time. There's more places worse off than those three places so why don't they go there? I don't think they should put those programs on the telly anymore until they go to somewhere where it's deprived. "

It is clear here that the participant's main concern is a lack of representation. He's highly frustrated that the programmes are always made in the same place and do not represent genuine cases of deprivation. He feels that it's fake.

Me: "What's the message you think they're giving on that programme?"
Participant: "I think they're telling people to get on benefits because that's the way to live. It doesn't show the reality, because the reality for me is not what I see on there. I only watched one of them couldn't watch it again

because it was disgusting. It doesn't show what somebody is like on benefits, all it shows to me, is they get their benefits, go out buy drugs, go back home and argue with the neighbours."

Me: "I can hear you're quite angry and that they don't represent real life and people on benefits. Do you think it makes people on benefits look better or worse?"

Participant: "The way they have done it, well, I'd have cancelled my benefits if I was on that programme. Because it made me feel as if benefits were the way, because that's how they portrayed it on there. Not one person I saw on that Benefit Street was looking for a job. I thought that in order to get your benefits you had to be looking for work."

The participant believes that the programming makes people on benefits look bad: not looking for work (skiving), buying drugs (addicts), arguing with neighbours (anti-social) and that he would have cancelled his benefits if he had been on the show (stigmatising). The data from this interview confirmed that the benefit programming was stigmatising, but we did not discuss any impact on purchasing decisions. However, there was an initial verification of the stigmatising effect of benefit programming, although the overwhelming feature the participant displayed was a lack of representation.

So the codes 'lack of representation' and 'stigmatising' were taken into the second interview.

Interview 2

Me: "I'm interested in your opinion on programmes such as Benefit Street, can't pay take it away etc."

Participant: "Well, you have to realise that most, depends which channel it's on, as if it's on the BBC, it's almost certainly biased, most film companies have a set idea of what kind of image they want to project. When it concerns people who have got themselves into debt….I don't agree with it in a way. I wouldn't mind if it showed the positive side of things, but programmes like benefit street are successful because everybody wants to knock everybody else in a way. I've done it myself, we want to have a good laugh at other people's expense but we wouldn't want to be in that situation ourselves. Which is quite cruel really. I saw a programme where you get your whole years benefit in cash. Some people would spend 3 or 4 thousand pounds on luxuries, you know, just to make themselves feel better."

This participant demonstrates a well thought out critique of the programming and its biases but acknowledges the 'othering' process that occurs whereby the audience is encouraged to negatively judge those in debt. He also comments on the purchase of luxuries to feel better. So we have two additional concepts, 'othering' and 'remedial purchases'.

Me:	"How do you feel when you watch these programmes?"
Participant:	"A bit of everything really. I see myself in a lot of the people. The only difference with me using cash converters, and the people that end up on TV is what we spend our money on. Someone will put their guitar into cash converters for a month to do shopping and they will buy cigarettes and beer and weed or whatever, and I don't live like that. I probably would spend my money on a gadget. I've probably gone through 30 smartphones in three years.
Me:	"Is that your form of luxury, buying gadgets?"
Participant:	"It is, yea."
Me:	"Because you mentioned earlier, about the programme, that people bought luxuries to make themselves feel better."
Participant:	"Yes."
Me:	"So do you make yourself feel better with these gadgets?"
Participant:	"Yes, definitely. I don't need a smart phone."

During interview two, a link has been established between the negative emotions that occur when you are on benefits, and the purchase of goods to remedy those emotions. As a researcher, this feels like you're beginning to really be on to something. So you take these concepts into interview three.

Interview 3

Me:	"You know we've got all those programs like Benefit Street, Too Fat to Work, what do you think of those programs?"
Participant 3:	"They can be a bit degrading for some of the families. Not all of them, some of them are doing it literally just for the money, so they don't have to work. But there are some of the families that are genuine, and you do see the struggle. I do watch them, Benefit Street, I just watched the latest one. And one was being interviewed who was saying he would pretend that he gets panic attacks to get a doctor's note and then go to the job center. People like that…phhhh, they shouldn't. And he's working cash in hand."

Me:	"So when you were on benefits, and those programs were on, did you view yourself as not like those people, or like those people?"
Participant:	"I was like some of them but not all of them. There was that dividing line. It took me 3 years before I could get a job up here. Not for trying. I tried nearly every day, I even went around pubs looking for bar work, and I managed to get a cleaning job. Because I got up and asked. One week, I applied for 33 jobs, and not one of them replied back to me. I did go to the doctor, because I did feel, I was really tired, I was really really depressed, and I was thinking of doing myself in."

This participant had a less emotive response to the programmes and generally watched them but there was a strong 'othering' and 'judging' that took place in the face of perceived benefit fraud which I coded 'skiving'. However, this did not affect her purchasing behavior. This participant borrowed to bring the house up to an acceptable minimum living standard and did not buy large or extravagant presents. Her reparation was based on successfully gaining employment. So this modifies the emerging sub-theory somewhat and I start to feel that this is beginning to go off topic in relation to the other categories that are emerging and it does not feel like a core concern or even strong sub-concern at this point. Still, it is hard to abandon an idea and there was some validity in it, so I proceeded to ask a similar question in interview 4.

<u>Interview 4</u>

Me:	"You know those programs on TV like Benefit Street, do you watch them?"
Participant 4:	"I do some of them yea. I think they're made up to tell you the truth. They say how much they are on, yet they've got cars and they're driving, and they smoke. I couldn't. They're sort of living this lifestyle, and some of them say, I'm going to get sanctioned, but they don't seem bothered, you see them with the cigarettes, but I see people around here who are unemployed (I don't smoke), and they roll their own. I think the producers give them to them.
Me:	"Do you, when you're watching those programs, feel like it represents you in anyway, or it doesn't represent you?"
Participant:	"Yea, because, the girl below me, she's watching that program and she's thinking, oh, I've got a good job. And she's thinking, and I'm thinking, looking at me, and I'm in that situation where you know, I'm

	not working, but I've got a good a life as she's got. You know what I mean. We're in similar apartments,
Me:	"So, what, you think she might be judging you?"
Participant:	"Yea yea. I feel as if she's judging me, because I get housing benefit."

Here, the 'fake' and 'judge' code are apparent, but being judged, rather than judging. But it isn't having an effect on this participant's purchasing behaviour. That only occurred in interview 2. It feels at this point like this might be a good study of attitudes around the viewing of benefit programming by benefit recipients, but not all my participants receive benefits, and that isn't my study. There doesn't seem to be a link with their feelings about the programming and their use of the loan now. So what does interview 5 have to say about it?

Interview 5

Me:	"So do you watch any of these programs on TV, like Benefit Street?"
Participant:	"Yeah I do."
Me:	"Do you like them?"
Participant:	"Yeah, I like them."
Me:	"So do you think they're representative of people on low incomes?"
Participant:	"No. I think you can work your money out a lot better than they're making out. They say they can't afford a proper meal, but then like, they're eating pizza. Now, I know that a pizza is only £1, or £1.50 from the shop, but a jacket potato is 30p, and a tin of beans you can get for like, 12p a tin. So I think it's all wrong, they make people on low incomes look bad really."
Me:	"So do you think that affects how people look at you?"
Participant:	"Probably yea."
Me:	"Tell me a bit about that."
Participant:	"Well, obviously, they know that I'm a single mum and not working, they probably looking at me and think that I'm a dole dosser, having kids, whatever, but like, I never chose to be a single mum."
Me:	"So you think that maybe people do look at you differently."
Participant:	"Yeah."
Me:	"Do you feel the same as, or different to them on the programmes?"
Participant:	"I feel like I am different than them, but to be honest, I am one of them. I couldn't care a less what people think of me anyway. I know that I'm doing things right. Maybe I should like, go to work or whatever. But I know that I'm looking after the kids, I know that my money is being

spent on the kids. So I'm not bothered. I don't smoke, I don't drink, and I've got food in the cupboards. "

This interviewee had a stable upbringing and received what she considers to be a good education and plans to work in the future when the children are older. The codes from this segment of interview include 'lack of representation', 'othering' and 'judgement'. But again, this doesn't appear to be related to the use of loans. Within the context of the entirety of the five interviews, the repeated codes sound compelling, but they did not really relate to the use of credit, which was my aim to investigate.

The next interview is with an older disabled person who worked all their lives and have older children. They borrow the money to put it in a bank account, so their use of the loan is not reflected by any opinions they have about the impact of benefit programming on their lives.

Interview 6

Me: "I'm interested in your opinion on these programmes on TV, like benefit street, those sorts of programmes. Do you watch them?"

Participant: "Yea. I think they are a load of cons. They are paying them on the TV to do this, when it's showing that they're ripping everybody off. Some of them are working, and there are not declaring it and they're getting the full whack of housing benefit and everything."

Repeated codes of 'fake' and 'othering' and now, the understanding that the programming does not have a consistent effect on every participant's self-esteem because they come from a variety of employment backgrounds and ages. So far there are two single parents, one male and one female, a single person on disability benefits, an older lady who is in full time work, and an older lady who was in full time work and is now incapacitated.

However, it is hard to let go of a logical construction, as I continue to pursue this concept in interview seven.

Interview 7

Me: "You know programmes like Benefit Street and all that? Do you ever watch them?"

Participant: "Sometimes yea, I've seen a couple here and there. But I don't watch them often"

Me: "What do you think of them?"

Participant: "I'm not sure. The last one I watched the woman on it, she was quite rough, I think they make us seem like benefits people are all the same and they put us in that particular group, and I don't think they show the true meaning of what being on benefits is like, the actual true struggle of it, they just show the funny side of it. It's definitely exaggerated I'd say. Everyone looks at us and thinks 'scummy mummy', because you're on benefits. I know otherwise. I've been in both worlds.

Me: "Do you feel that in your world that people look down on you?"

Participant: "No. Because I don't know, I'm very intelligent, so, people can't really talk down to me or anything. Because I'm an accountant, I'm quite well with my finances, it's just when coming out of work, and in-between benefits, that's where I struggle, because I receive no income whatsoever waiting for everything."

The concepts of 'misrepresentation' and 'being judged' are repeated, but interestingly, the participant starts to talk about a different topic regarding what is important to her at the end of this segment and starts to discuss the income gap between working and waiting for benefits that she experiences and how this affects her ability to budget. The programming questions wouldn't even come up if I didn't bring them up and they're beginning to feel irrelevant, so I now drop this question and this theory in terms of a core category but retain the idea of working class injury reparation as a sub-category, but drop the 'poverty porn' aspect.

Appendix 7 - The Mums Who Spend Big on Their Kids at Christmas

The television interview, the articles that follow, and associated comments really demonstrate the media commentary that people on benefits should not be spending their money on extravagant levels of presents. I have transcribed the interview and underlined where the interviewers are using the popular narrative for the interviewee to defend herself against. It makes news because a benefit mum spending loads of money at Christians still goes against the moral grain. A large number of newspapers subsequently ran the story following the interview on television because it captures the anger of the tax paying public, who were generous with their twitter and online condemnation. There were a balance of responses who had sympathy and recognised she could only afford this as a result of saving and budgeting, and that in reality, she didn't spend 'that' much on the children.

Holly Willoughby and Phillip Schofield Interview

Published on Dec 13, 2017

http://www.itv.com

The following is a link to the interview on youtube:

https://www.youtube.com/watch?v=90PHNjtm6VA

Transcription:

Philip Scofield:	The criticism for a lot of people is that it appears as if it's terribly over the top as if it's all about the gifts.
Claire Young:	Oh yea, definitely. But Christmas is only once a year, and that's how I see it. I see it that yes, we are on benefits, but that shouldn't stop the children having Christmas. Me and my partner, we don't get each other anything. It is, literally, all

	about the children. And Christmas gifts, this time of year, all the time of year, they're not cheap anyway, so….
Philip Scofield:	Do they need so many though? 66 presents.
Claire young:	They don't…that's 11 each. And that's only to make up the same amount of each present. Some of those presents could cost a pound, some of them will cost three pound. But they will have 11 each, so that it's all equal.
Holly Whillougby:	What do you say? Because you have had criticism of this, and mainly the criticism comes because of people are saying, this is taxpayers money, the reason you are on benefits is for a reason. That actually, these are luxuries. Presents are seen as luxuries, and that's not really what benefit money should go to. Maybe you should feel a bit guilty about that. What do you say to that?
Claire Young:	no. I don't like being on benefits, nobody likes being on benefits. But you never know when it's actually going to be you. With the whole crisis going on, you could lose your job tomorrow and have to rely on benefits. If I could go to work right now, I would do. But just because I'm on benefits, does that mean that your children don't get a Christmas? I don't think… at the end of the day, that's our family money. I don't tell anybody else how to spend their money. Nobody should tell me how to spend my money, to be fair.
Philip Scofield:	Do you feel, you are being judged here. But you have scrimped and saved throughout the year. You have your own little fund that you put things in for the leccy bill comes in and you have to dip into that, but you have, you could be smoking, you could be drinking to excess, you could be doing all of those things. *(promoting the stereotypes of people wasting money as a justification for her spending hers in the way she wants*)*
Claire Young:	I don't drink, I don't smoke, I don't go out every weekend, I don't take drugs, I hardly buy myself anything. Everything we get is the children's money. I have one pair of shoes. When these run out I'll go out and buy another pair.
Philip Sculfield:	So don't you feel, who are you to judge me when I've saved all year for this. It's forward planning?
Claire Young:	Yea. I mean there are parents out there who are on benefits who go out every weekend and spend and people are looking after their children (*othering, she is othering, using the stereotype of feckless benefit recipient to justify her spending*)* but I don't. I spend every waking minute with my children.
Holly Whillougby:	Most brits buy 15 presents a year, why have you bought so many? (*Enormous present pile behind Emma Tapping)**
Emma Tapping:	I think it's because it's something we've always done. So I've just carried on the tradition with my kids.

Philip Scofield:	Haven't you thought at any stage, you know, I wish I could stop this?
Emma Tapping:	No, I never want to stop it. I start in January, like the lady before, Shop all the way through the year, and that's the pile at the end of the year. So no, I wouldn't change it for the world.
Philip Scofield:	would your children notice if there were a handful missing there? And the reason I say that, is I know that Ella, your daughter, that she still has untouched presents from last year. So now she has a whole load of other stuff that she's going to get, much of which, she doesn't need, or really want.
Emma Tapping:	Yea, she had a popcorn maker and a book that she didn't use from last year, so out of all the presents, I don't think that's too bad.
Holly Whillougby:	And what sort of reaction do you get because last time we spoke to you, many people said that it's too much, this is excess. What would you say to them?
Emma Tapping:	I work hard for my money. I work all year around for my money. So why would I be slugging my guts out all year if I can't treat my kids at Christmas? That's what I work for. I work and live for my kids.
Philip Scofield:	And the same question to you as I asked Claire, isn't it just, Christmas is about family and being together. It' isn't always about presents. You've turned it into a very materialistic thing.
Emma Tapping:	Yea, I've heard people say, it's not about what's under the tree, it's about who is around it. And it's not like I go and drag a couple of randoms off the street and say, do you want to come and open some presents, it's my family around the tree. We are making memories every single year. And I know if I pop my clogs tomorrow, then the kids will say, Mum went all out every year at Christmas, gave us brilliant Christmases throughout our childhood.

(Two mums, one working and one on benefits, both doing the same thing)*

Benefits Mum Spurges £2000 On 66 Presents For Her Six Kids And …Yule Pay

Sun Newspaper

December 15, 2017

Commentary on the ITV interview.

Following article is a follow up article from the same newspaper with the reported mum defending her actions and giving an account of how much she gets and how she spends it and can afford to buy that much at Christmas.

https://www.thesun.co.uk/fabulous/5142746/benefits-mum-claire-young-hits-back-six-kids-presents-christmas/

Following is twitter response on BBC News:

https://twitter.com/bbcnews/status/941432967372648449

The newspaper articles followed her appearance on This Morning. This article on 13 December 2017 was in the Metro: I've underlined the words which are judgmental

http://metro.co.uk/2017/12/13/mum-on-benefits-spends-2000-on-66-christmas-presents-for-her-children-7157067/

A mum on benefits who spends a <u>whopping</u> £2,000 on Christmas presents for her six children had This Morning <u>viewers up in arms</u>. Mum-of-six Claire Young appeared on the show where she <u>admitted</u> to <u>splurging</u> thousands on a <u>staggering</u> 66 gifts each year for her brood. But she <u>defended</u> her spree, saying she starts to save up in January by putting £50 in a pot each week and that she doesn't drink, go out every weekend or smoke. She also hit out at critics who <u>accused</u> her of spending too much of her benefits money, saying it is up to her how she splashes the cash. Claire, who was signed off work in 2012 because she suffers from ME and fibromyalgia, told presenters Holly Willoughby and Philip Schofield: 'I don't drink, I don't go out every weekend, I don't take drugs, I hardly buy myself anything. Everything we get is the children's money.'

She gets around £850 a week in benefits and buys her children 11 gifts each, all around the same value. She said: ‘There are parents out there who are on benefits and who go out and spend every weekend out. But I don’t, I spend every waking minute with my children.’ She added: ‘I don’t like being on benefits. If I could go to work right now I would do, <u>but just because I’m on benefits does that mean your children don’t get a Christmas?</u> ‘It’s our family money. I don’t tell anyone else to spend their money<u>, nobody should tell me how to spend my money.</u>’ But Twitter users were quick to <u>vent their anger</u>. One wrote: ‘<u>How is this women on benefits on £850 and spending £2,000 on Christmas presents? If you can go on TV you can work #ThisMorning</u>.’

While one person said: ‘There are people with full time jobs, who’d love to spend every waking minute with their children but they’re out at work. They scrimp and save as well yet can’t afford to do the same. #thismorning.’ One angry Twitter user added: ‘People are able to get £850 on benefits a week yet I’m ill with Flu and off work and I won’t get sick pay? # But others said: ‘This woman is getting criticised for spending £2k on Christmas when she’s on benefits. She is unable to work due to ME, and her husband is her full-time carer. ‘They save up money all year round for xmas. They can spend their money on whatever they want! #ThisMorning,’ said one. While another wrote: ‘This Claire who’s on benefit is getting slayed for spending £333 on each of her kids. Honestly that’s nothing in this day and age. ‘People are just petty. It’s her money if it’s off the system or not #ThisMorning.’

Another article about the woman who appeared on This Morning:

http://www.dailymail.co.uk/femail/article-5174693/This-Morning-viewers-slam-benefits-mother-2-000-gifts.html

Very similar to the other articles because they're all based on the tv interview. The twitter replies are a mix of people upset at the spoiling and that somebody on benefits is able to save, and others who understand that they are scrimping throughout the year in order to afford it.

Following has some comments following the article saying that a life on benefits should be 'humble and modest'.

https://www.thesun.co.uk/news/5129221/benefits-mum-defends-decision-to-blow-2000-on-66-christmas-presents-for-her-kids/

'Another, Mrs Pegworthy, said: "People like this make me incredibly angry. A life on benefits should be humble and modest until you can get back to work.'

A commentary from The New Statesman criticizes the article in the Sun and points out what the article left out from the interview to defend Clare:

https://www.newstatesman.com/politics/welfare/2017/12/everything-sun-didn-t-tell-you-when-shaming-mum-buying-christmas-presents

‘Benefits mum splurges £2,000 on 66 presents for her six kids and YULE PAY!” screams its splash, accompanying a picture of “gift-mad” Claire holding wrapped presents, and a report full of judgement about her family and financial situation.’

‘the newspaper uses her story essentially to say that people claiming benefits <u>don’t deserve</u> to spend how other families do – and in this case, don’t deserve to make Christmas enjoyable for their children.’ (underscore mine)

Here are some rather inconvenient facts they’ve left out of their story:

Some of the presents cost £1

Claire has been lambasted by Conservative MPs Andrew Rosindell and David Davies in the Sun’s piece for her “extravagance”, but as the paper fails to note, some of the 11 presents she has bought for each child “cost a pound, or three pounds” (as she told ITV). This number of presents for each child is not extravagant, when you consider that most will be stocking fillers.

The Sun’s own article says “more than ten” presents is the “magic number”

In an October article (https://www.thesun.co.uk/fabulous/4720307/how-many-christmas-presents-mumsnet/) labelled “THE MAGIC NUMBER”, the Sun asked how many presents you should give your children this Christmas, headlining the piece: “One mum worries that ten gifts each isn’t enough… and others agree”.

Quoting Mumsnet users, the piece gave a lot of airtime to the idea that more than ten presents is key, citing “parents insisting that it’s important that kids have lots of gifts to unwrap on the big day”, and finding “the vast majority of Mumsnet users admitted that ten or more gifts per child makes Christmas Day more magical”.

Why is this OK for Mumsnet users and the readers of this article, but not for mothers on benefits?

This is more about saving than spending

The only reason Claire is able to buy presents for her children at Christmas is because she starts saving at the beginning of the year. Putting aside £50 a week, tough when your income relies on the vagaries of the benefit system, is surely something the paper should be applauding when it quotes MPs outraged by “extravagance”.’

Appendix 8 – Ethical Approval

University of Salford MANCHESTER

Research, Innovation and Academic Engagement Ethical Approval Panel

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9 July 2018

Dear Gisela,

RE: ETHICS APPLICATION AMR16128 – A sociological exploration of why consumption of High Cost Short Term Credit, specifically microfinance, occurs in low income households.

Based on the information you provided, I am pleased to inform you that your application AMR1617-28 has been approved.

If there are any changes to the project and/ or its methodology, please inform the Panel as soon as possible by contacting A&M-ResearchEthics@salford.ac.uk

Yours sincerely,

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