

# Breaking Point to Breaking Through

## *Community Consultations* (Full Report)

### Debt, Dignity and Bangladeshi Financial Hardship in London

Debt Talk CIC  
January 2026



# Table of Contents

## **About Us: From Pandemic Response to Poverty Action**

### **Executive Summary**

## **1 Introduction: The Invisible Crisis**

- 1.1 Hidden in Plain Sight
- 1.2 About the Consultations

## **2 Findings: The Anatomy of Bangladeshi Financial Hardship**

- 2.1 Beyond "Cost of Living": Culturally Specific Pressures
- 2.2 The Weight of Izzat: When Shame Prevents Help-Seeking
- 2.3 Religious Prohibitions: When Standard Lending Does Not Work
- 2.4 Informal Lending: When Community Networks Become Traps
- 2.5 Intergenerational Patterns: Cycles Without Education

## **3 Identifying Vulnerable Sub-groups: Intersectionality Matters**

## **4 What Has Worked, What Has Not: Learning from Experience**

- 4.1 Approaches That Can Build Trust
- 4.2 What Creates Barriers

## **5 Recommendations from Participants**

- 5.1 Cultural Competence as Foundation
- 5.2 Holistic Service Integration
- 5.3 Accessible Service Design
- 5.4 Innovative Solutions
- 5.5 Strategic Partnerships



# About Us: From Pandemic Response to Poverty Action



Debt Talk CIC was founded in March 2025, emerging directly from the Brit-Bangla COVID-19 community response. This proven model, community-led, trauma-informed, and culturally embedded, now addresses an equally urgent crisis: lived financial trauma threatening community wellbeing.

The same systemic exclusions that endangered lives during COVID-19 also trap families in debt: language barriers, institutional mistrust, digital exclusion, and services that don't understand cultural context.

Debt Talk brings the same community trust and cultural competence to develop impactful financial inclusion services that helped transform the UK's pandemic response.

# Executive Summary

Sixty-three percent of Bangladeshi Londoners live in poverty – nearly four times the rate of whites (17%) and double that of Black Londoners (34%)<sup>1</sup>. Yet no culturally responsive debt advice service exists to address the unique barriers this community faces.

In November 2025, Debt Talk CIC conducted two community consultations in Tower Hamlets, engaging 45+ participants, including community members with lived experience of debt, advice sector professionals, housing associations, grassroots organisations and local authority representatives. Consultations revealed that Bangladeshi financial hardship is not simply 'poverty', but a complex crisis shaped by factors such as intergenerational trauma from systemic exclusion, cultural obligations (izzat/honour and shame), religious prohibitions on interest (riba), exploitation through informal lending systems (balakhala), and remittance pressures to Bangladesh.

Mainstream debt advice services, however well-intentioned, cannot address these culturally specific barriers. The community needs trauma-informed, Shariah-compliant, Bengali-speaking support that understands (for example) that sending money to families in Bangladesh, for many, is not 'optional spending'. That 'lavish' weddings are not frivolous, when cultural competition creates pressure. That refusing interest-bearing loans is probably not financial illiteracy – it's faith.

Debt Talk CIC, born from the community's COVID-19 response to help ensure vaccine uptake among British Bangladeshis, is uniquely positioned to deliver this specialised service. This report presents evidence from community voices that demonstrates the need for British-Bangladeshi-focussed debt advice, and why sustainable funding is critical to prevent ethnic minorities from repeating cycles of financial trauma.



# 1 Introduction: The Invisible Crisis

*"We enjoy suffering in silence as opposed to seeking help. That suffering has an impact on blood pressure, mental health, and emotional wellbeing." - Community Participant*

## 1.1 Hidden in Plain Sight

Statistics show that in Tower Hamlets, where the UK's largest Bangladeshi community resides, thousands of British-Bangladeshi families struggle with debt, benefit sanctions, and financial trauma, yet accessing virtually no culturally responsive support. With 322,054 Bangladeshis living in Greater London as per the 2021 Census (mostly concentrated within various boroughs of east London), it translates to almost 200,000 people (63% of Bangladeshi Londoners) who need support.

Tower Hamlets offers services such as Citizens Advice, StepChange, National Debtline, and numerous advice centres. Such services, which are designed for mainstream populations, fail to address barriers unique to Bangladeshi communities, limiting both uptake and impact.

## 1.2 About the Consultations

In 2025, Debt Talk conducted two community consultations funded by Tower Hamlets Council; held in the Whitechapel Town Hall (30+ participants; 3rd November); and Idea Store, Chrisp Street (15+ participants; 10th November). The objective was to understand the root cause of such poverty, assess the need for debt advice services specialised to cater to British Bangladeshis, and understand the ways Debt Talk can best facilitate the same.



The 45+ participants included British Bangladeshi residents experiencing debt issues, along with support and advice workers, health and social care professionals and government representatives. This co-production approach of bringing together lived experience and professional expertise, generated bottom-up, grounded insights into this issue.

This report comprises responses to three key questions explored in the consultations:

1. What causes debt in the Bangladeshi community?
2. What solutions have been tried, have worked and have not worked?
3. How can specialised, culturally responsive services fill the gap?

## 2 Findings: The Anatomy of Bangladeshi Financial Hardship

### 2.1 Beyond "Cost of Living": Culturally Specific Pressures

Participants identified universal financial pressures affecting all communities: rising food costs, tripling utility bills, substantial increase in service charges without any Universal Credit support, and inflation outpacing wages. One participant noted: "Prices of food have tripled – many are forced to choose if we should eat or pay bills." Bangladeshi families face such compounding burdens, exacerbated by culturally specific factors that mainstream debt advice services do not understand:

Multi-Generational Household Economics: Bangladeshi households often operate on communal financial models – 'one pays rent, other pays for food'. This does not map onto individual-focused advice frameworks that assess one person's income and outgoings. A charity representative observed: "When you come to use British debt support services, they actually don't work because they are very much focused on that individual who's got an income and outgoings. But actually, your income and outgoings might be much more communal."

Remittance Obligations: Sending money to Bangladesh is not discretionary for many families. As a community member explained: "It's not just about me, it's the whole village, the whole family. That's the burden we take." First-generation migrants carry responsibility for the survival of their extended families – education, medical costs, housing repairs. Debt advisors who suggest "cutting non-essential spending" fundamentally misunderstand that supporting extended family is a moral imperative for many, not a lifestyle choice.

Property Investments Gone Wrong: Many Bangladeshis invested in properties in Bangladesh, anticipating retirement "back home." Changing circumstances make these properties difficult to sell at a market-adjusted price. As one participant noted: "They invested a lot of money back home. Now the government has changed, getting that property back is not an easy task." Families are losing savings while still servicing UK debt



## 2.2 The Weight of *Izzat*: When Shame Prevents Help-Seeking

*Izzat* (honour, reputation, dignity) emerged as a powerful barrier from the discussions. Being in debt brings family shame. Seeking help risks community gossip. As one participant stated: "*Bangladeshi and Somali communities are very tight-lipped when it comes to difficulties.*"

This is a structural stigma. Women experiencing domestic violence face additional barriers to accessing debt support due to financial abuse and safety concerns. Men won't admit financial struggles because it signals 'weakness' and failure as providers. Elderly community members may isolate rather than reveal they can't pay bills. A government representative noted: "*People get to a point where they're basically telling themselves maybe it's easier not to survive.*"

The impact is delayed crisis intervention. By the time people seek help, significant debt has accumulated, and mental health may be deteriorating. As a charity representative observed: "*Some people do not want to be in that situation and are embarrassed. It takes a lot to take that step forward as they do not want to be judged.*"

Cultural competitions exacerbate pressure. A community member described: "*As South Asians, we compete with our family members – if it's a wedding, we have to have the biggest or most lavish wedding... Weddings cost 70, 80, 90 grand. Is it really worth being burdened with that debt just to prove a point?*" Participants questioned whether such spending was worthwhile, highlighting the tension between cultural expectations and financial wellbeing.



## 2.3 Religious Prohibitions: When Standard Lending Does Not Work

Islamic finance principles prohibit riba (interest), creating unique challenges. Strictly observant Muslims (estimated to be 30–40% of the community by participants) cannot take interest-bearing loans, credit cards, or mortgages. As one participant explained: "*In our book, it says once you take interest, you have to fight with God. The punishment is severe.*"

This is non-negotiable for many Muslim households. Yet mainstream credit solutions assume interest-based products: debt consolidation loans, balance transfers, payment plans with interest. Financial Conduct Authority (FCA) regulated debt advisors must offer all options, creating moral distress. A charity representative noted: "*You have to offer all these different options... But it feels like what you're not allowed to do is listen and adapt to the situation.*"

While some banks offer Shariah compliant products, awareness appears low and access limited. Meanwhile, religious prohibition traps families: they can't use mainstream solutions, but appropriate alternatives are scarce. Desperation drives some to interest-based debt despite religious beliefs, carrying an immense psychological burden. Others avoid all formal credit, and have been forced to turn to informal community lending with devastating consequences.

## 2.4 Informal Lending: When Community Networks Become Traps

Historically excluded from mainstream banking, Bangladeshi developed community-based financial systems. But informal lending has its dark sides.

Balakhala (*balakhala* refers to informal loan sharks within the community): Participants described lenders offering money during crises but demanding repayment with threats. One community member recalled: "*If that balakhala didn't get his money back, and if the debtor had daughters, they would be in trouble.*" These predatory lenders exploit trust, knowing families can't report to police and fear community judgment.

Committee Systems (*kameki* - rotating savings clubs where members contribute to a pool, taking turns receiving lump sums): While legitimate when well-managed, committees have failed spectacularly. Participants cited cases where coordinators made bad investments or absconded with funds, destroying community savings. One participant described: "*There was this one person who basically started collecting money from everybody in the community... took money from everybody and put it into a company and the company went bust.*"

The First Solution Money Transfer<sup>2</sup> scandal: A participant discussed the scandal in which a community member accepted millions as part of a money transfer service, before declaring bankruptcy, shattering trust within the Bangladeshi community. This has led to many community members distrusting both mainstream financial services and community-based systems. As one participant stated: "*That trust is gone.*"

<sup>2</sup>Wikipedia. First Solution Money Transfer: [https://en.wikipedia.org/wiki/First\\_Solution\\_Money\\_Transfer](https://en.wikipedia.org/wiki/First_Solution_Money_Transfer)

## 2.5 Intergenerational Patterns: Cycles Without Education

Many first-generation migrants arrived with limited financial literacy – a knowledge gap that was not bridged for subsequent generations. A community member reflected: "The information wasn't really there. Lack of education, lack of awareness. And the challenge is trying to implement that to your children, and we face the same as them."

Young adults reported: "I wish someone had told me that when I was young." Without role models for financial planning, young people repeat patterns: competing with peers on costly cars and clothes, while taking on multiple jobs to "escape trauma" rather than strategic planning, accumulating credit card debt through instant gratification.

Cultural pressure compounds this. Firstborn children often carry responsibility for siblings' marriages and family support – enormous financial burdens without education on managing them. A participant described: "If you were the first child, you had to take the responsibility of the whole family. That would mean you'd have to get your siblings married off. That in itself is a big burden."

Participants spoke of the need for financial education starting at primary school, that teaches saving as a habit (not amount), helps overcome the inherent need for lavish spending to demonstrate success, and fosters intergenerational wealth-building knowledge.



### 3 Identifying Vulnerable Sub-groups: Intersectionality Matters

Participants identified subgroups from among the Bangladeshi diaspora that face compounded vulnerability. Subgroups include:

Women (married/separated and with children): A significant number of women face domestic abuse, but many find it hard to escape. For those who do, hardships such as financial abuse from ex-partners manipulating child support, navigating complex benefits systems, childcare costs preventing employment and housing instability, compound their challenges. A government representative pointed out that: "*Women who come to the country on a spousal visa face financial hardships and domestic abuse.*" Such women have no recourse to public funds and have to live with the fear of immigration consequences of seeking help. A charity representative noted: "*Women fleeing violence face financial abuse... it's not always easy to access benefits or any kind of funds, especially when moving boroughs.*"

Elderly with language barriers: Cannot access digital services, do not understand official letters, and remain isolated without support networks. A participant observed: "*There are people where they don't really go out, don't go to community centres. These are the people who need support. There may be shame or stigma - they don't speak to anyone, just keep to themselves.*"

Young adults (16-24): Face money management challenges, easy credit access without understanding consequences, pressure to compete materially with peers. Yet they lack basic financial education – one participant noted that young people need to be educated on "*how to read a meter, gas electric meter, basic life skills.*"

Men: Paradoxically vulnerable through shame. Cultural expectations of provider roles prevent admitting financial struggles. A participant noted that many men avoid accessing services – "*men don't want to go in and seek help*" – pointing to the need for safe spaces for men, and culturally informed, Bangla-speaking male debt advisors for supporting this target group.



## 4 **What has Worked, What Has not: Learning from Experience**

### 4.1 Approaches That Can Build Trust

Community-led organizations: Services 'by and for' communities (such as the Limehouse Project<sup>3</sup>) see higher uptake. A charity representative noted: "*More people approach Limehouse for advice than they do other services... going to an organisation they know and trust.*"

Holistic case management: Integrating debt advice with housing, benefits, mental health support rather than siloed referrals. One participant observed: "*Better links with statutory services and the charity sector to work holistically, enables early intervention reducing costs for the statutory sector.*"

Culturally sensitive delivery: Bengali-speaking and culturally trained staff with lived experiences, and integrating non-judgmental approaches in delivery. A community member emphasised: "*Services need to be provided in Bengali; providers need to show more compassion towards non-English-speaking people.*"

Practical life skills education: A participant mentioned practical skills training approaches, such as hands-on learning experiences for young people to understand household basics like meter-reading, emphasising the value of experiential learning over lectures. Such a service was piloted by the Westminster City Council, as per the participant, with great results.

### 4.2 What Creates Barriers

Top-down generic campaigns: Council awareness drives miss cultural nuances. "*The council doing a drive doesn't work,*" a charity representative stated.

Regulatory rigidity: FCA debt advice regulations require scripted options without cultural adaptation. A charity representative critiqued: "*The insane levels of regulation around debt advice... you're not allowed to listen and adapt to the situation. You have a script, essentially.*"

Short-term funding: Community champion programmes build trust then disappear when funding ends. A participant noted: "*They had funding, but they're running out of funding this year... It's an amazing resource we cannot afford to lose.*"

Siloed services: People are sent between centres with doors closing. "*They come to your door, it's full, we can't offer service - go to that centre. By the time they get there, the door's closed.*"

Digital-only solutions: Exclude elderly, non-English speakers, those without digital literacy or devices.

Lack of visibility: Services exist, but people don't know about them. Combined with shame preventing help-seeking, this creates a double barrier.

<sup>3</sup>UK registered charity providing advice, support, education and employment training: <https://limehouseproject.org.uk/>

# 5 Recommendations from Participants

## 5.1 Cultural Competence as Foundation

Language accessibility: Not just interpreters – Bengali/Sylheti-speaking advisors who understand cultural context.

Understanding izzat: Strong confidentiality guarantees and sensitive service design recognising community concerns about reputation.

Religious framework knowledge: Advisors trained on Islamic finance principles, Shari-ah-compliant alternatives, navigating riba prohibitions.

Gender-sensitive delivery: That includes women-only and men-only sessions (as required), addressing gendered barriers to help to seek practices.

Trauma-informed approach: Recognising financial trauma intersects with migration trauma, domestic violence, bereavement, discrimination.

## 5.2 Holistic Service Integration

Beyond debt advice: Link to housing support, benefits advocacy, mental health services, domestic violence support – ‘warm handoffs’ not cold referrals.

Co-location with trust: Embedded in mosques, GP practices, family hubs, schools, supermarkets – where the community already gathers. A participant emphasised: *"Debt Talk has to go where they can engage communities – GPs, schools, family hubs. Make Debt Talk more visible."*

Early intervention: Prevent crisis through financial health checks, and proactive outreach to at-risk groups.



## 5.3 Accessible Service Design

Multiple access channels: Face-to-face, phone, WhatsApp (not just digital portals).

Flexible hours: Evenings, weekends, post-Jummah prayers, when working people can attend.

Community champions: Peer supporters with lived experience navigating systems, reducing shame through shared understanding.

Outreach model: Don't wait for people to approach - go to barbershops, community centres, post-prayer gatherings, schools.

## 5.4 Innovative Solutions

Financial education programmes:

Primary/secondary school curriculum teaching saving habits, budgeting, avoiding scams

Adult programmes: life-stage specific (marriage planning, property purchase, retirement)

Digital literacy for elderly enabling online banking, benefit claims

Systemic advocacy: Document regulatory barriers preventing cultural adaptation, campaign for mainstream Shariah-compliant options, challenge policies disproportionately a

Shariah-compliant debt pathways: Partner with Islamic finance institutions, develop interest-free payment plans, explore zakat (charitable giving) funds for emergency support.



## 5.5 Strategic Partnerships

Don't duplicate - coordinate: Map existing services (Island Advice, Money A&E, Citizens Advice), create referral pathways, and position Debt Talk as a cultural bridge/specialist.

Engage gatekeepers: Imams, mosque committees, GP practices, schools, community elders enabling trusted introductions.

Multi-agency forums: Convene regular meetings bringing health, housing, benefits, debt services together for holistic case resolution.

## 6 About Debt Talk: Uniquely Positioned to Lead

Debt Talk emerged from the Brit-Bangla COVID-19 response, where community-led action achieved the UK's highest vaccine uptake through culturally sensitive, trauma-informed outreach. This proven model of building trust in communities experiencing systemic exclusion now addresses financial trauma.

Founded in March 2025, Debt Talk is the UK's first Bangladeshi-led debt advice and financial education service. The organisation brings:

Community embeddedness: Deep networks within Tower Hamlets Bangladeshi community, trusted relationships built through pandemic response.

Cultural expertise: Leadership with lived experience of Bangladeshi migration, financial systems, cultural values—not outsiders interpreting community needs.

Trauma-informed practice: Understanding that financial stress intersects with intergenerational trauma, discrimination, bereavement, domestic violence.

Strategic ambition: Already attracting European attention – the European Consumer Debt Network seeks to replicate Debt Talk's podcast model for influencing the European Commission.

Evidence-based approach: These consultations demonstrate commitment to co-production – building services WITH communities, not FOR them.



## 7 Conclusion: From Breaking Point to Breaking Through

These consultations proved three critical points:

- 1 Demand exists: Despite profound shame around debt, 45+ people showed up, shared painful experiences, and contributed solutions. This demonstrates a desperate need for safe, culturally appropriate spaces.
- 2 Issues are specific: Bangladeshi financial hardship is not generic poverty. It is shaped by factors such as izzat, riba, balakhala, remittances, and intergenerational trauma - aspects that mainstream services do not understand enough and cannot address.
- 3 The community has solutions: Participants offered concrete recommendations that include Shariah compliant pathways, financial education starting at primary school, male and female advisors, embedding in mosques and GPs, plus community champions for reducing shame.



The urgency cannot be overstated, with almost 200,000 Brit-Bangladeshis in Greater London trapped in financial trauma. Mental health is deteriorating. The next generation is repeating cycles. Families are haemorrhaging money to predatory lenders and bad investments. People are suffering in silence, honour-bound to not seek help even as debt destroys their wellbeing.

As the first ever Bangladeshi focused debt service in the UK, Debt Talk is pioneering a model that centres on cultural competence, trauma-informed care, and community co-design. The consultations proved that the concept works. It is ready to deliver. Bringing the support this community needs now in response to the financial pandemic threatening their future: uniquely built on the pillars of community wisdom, cultural competence, and trauma-informed care, Debt Talk offers something no mainstream service can replicate.

This report has been prepared by the DebtTalk CIC Research Team, compiled from two public consultations held in November 2025, funded by London Borough of Tower Hamlets.

Photos and Design - @Doug.Haywood.artist. <sup>1</sup>Additional photos - Ripon Ray

For more information regarding use, quotation or distribution of this report, please contact:  
[admin@Debt Talk.org](mailto:admin@Debt Talk.org) | 07951 714140 | [Debt Talk.org](http://Debt Talk.org)

Copyright © 2026 Debt Talk - All Rights Reserved. Company no. 16325856