

II. SERVICE PERSONNEL

457/81. DEBTS AND FINANCIAL IRRESPONSIBILITY (U)

[D/NLC/NP2/27/3/3]

1. The incidence in the RN of private debts drawn to the attention of Service authorities is increasing. It is recognized that there is a modern trend towards easier credit buying and with this comes high pressure salesmanship. Moreover, financial pressures increase as a

large number of naval personnel become householders with attendant mortgages, rates and other outgoings. All these factors can place a strain on a man's personal finances and can lead to debts.

2. The Admiralty Board has taken the view that a person's private debts are his or her own responsibility and that the Service should not normally interfere in them. Nor can officers become financial managers for their personnel or agents for collecting debts incurred outside the Service.

3. Unfortunately, however, some debts can be of such magnitude, or be so irresponsibly incurred, that they have an adverse effect on the debtor's Service career. Those under the strain imposed by financial pressure can suffer a deteriorating performance which may eventually lead to discharge. Unsettled debts can also bring the Service into disrepute, and those who continue to be financially irresponsible, even when being advised and assisted by their superiors, can become an unacceptable administrative burden. Moreover, service in the Royal Navy is governed by the requirements of national security and a person's attitude to his or her financial affairs may cast doubts on fitness to handle classified information. This too can lead to discharge.

4. Lectures and counselling on financial affairs have been included in a number of courses for both officers and ratings. Whilst it is appreciated that there may be a reluctance to discuss private financial problems, it cannot be emphasised too strongly that seeking early advice can often prevent a disastrous situation developing. Commanding officers and divisional officers are to pay particular attention to the requirement to assist in such matters and where necessary to recommend the seeking of specialized advice from the Service or outside sources, so that prospective difficulties are prevented from becoming major problems. The SAFAB organization can provide a valuable contact where personnel can obtain advice on reliable sources of financial counselling.

5. Commanding officers are to ensure that all those under their command understand the adverse consequences of financial irresponsibility and are to see that advice on financial matters, at a level which any officer might be expected to be capable of in terms of his own experience in managing his finances, is readily available.