



DISTURBANCE EXPENSE OVERSEAS REPORT

Introduction

During 2014, AFF received comments from families that Disturbance Expense (DE) had not compensated them sufficiently for expenses incurred when moving overseas due to a posting. Families receive £1,036, plus a child element of £81, which is designed to ‘contribute towards the necessary additional expenses that may arise when the Services require their personnel to make a qualifying move’¹

In response to these comments, AFF conducted a short, online survey on DE between 27 October and 6 November 2014. The aim of the survey was to gather a wider range of evidence on families’ views about DE provision.

Results

The survey had an excellent response. 1,202 people completed the survey, with 1,018 having recently been posted overseas. This paper relates only to the answers and comments received from the cohort of 1,018 respondents recently posted overseas.

The results show that families overwhelmingly report that DE does not compensate them sufficiently for the actual costs they incur when moving overseas.

Location of respondents

Responses were received from 48 countries spanning six continents as follows:

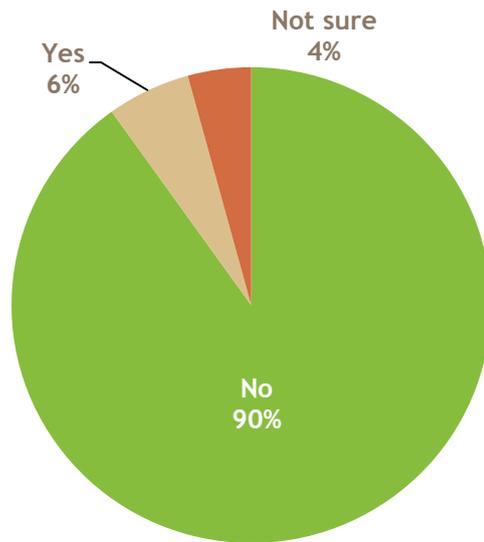
Algeria	Georgia	Netherlands
Australia	Germany	Nigeria
Austria	Ghana	(Northern Ireland)
Belgium	Gibraltar	Norway
Bermuda	Greece	Oman
Bosnia & Herzegovina	India	Pakistan
Brunei	Israel	Qatar
Canada	Italy	Saudi Arabia
Chile	Jamaica	Serbia
China	Kazakhstan	South Africa
Cyprus	Kenya	South Korea
Czech Republic	Kuwait	Sudan
Denmark	Macedonia	Turkey

¹ Joint Service Publication 752: Tri Service Regulations for Expenses and Allowances

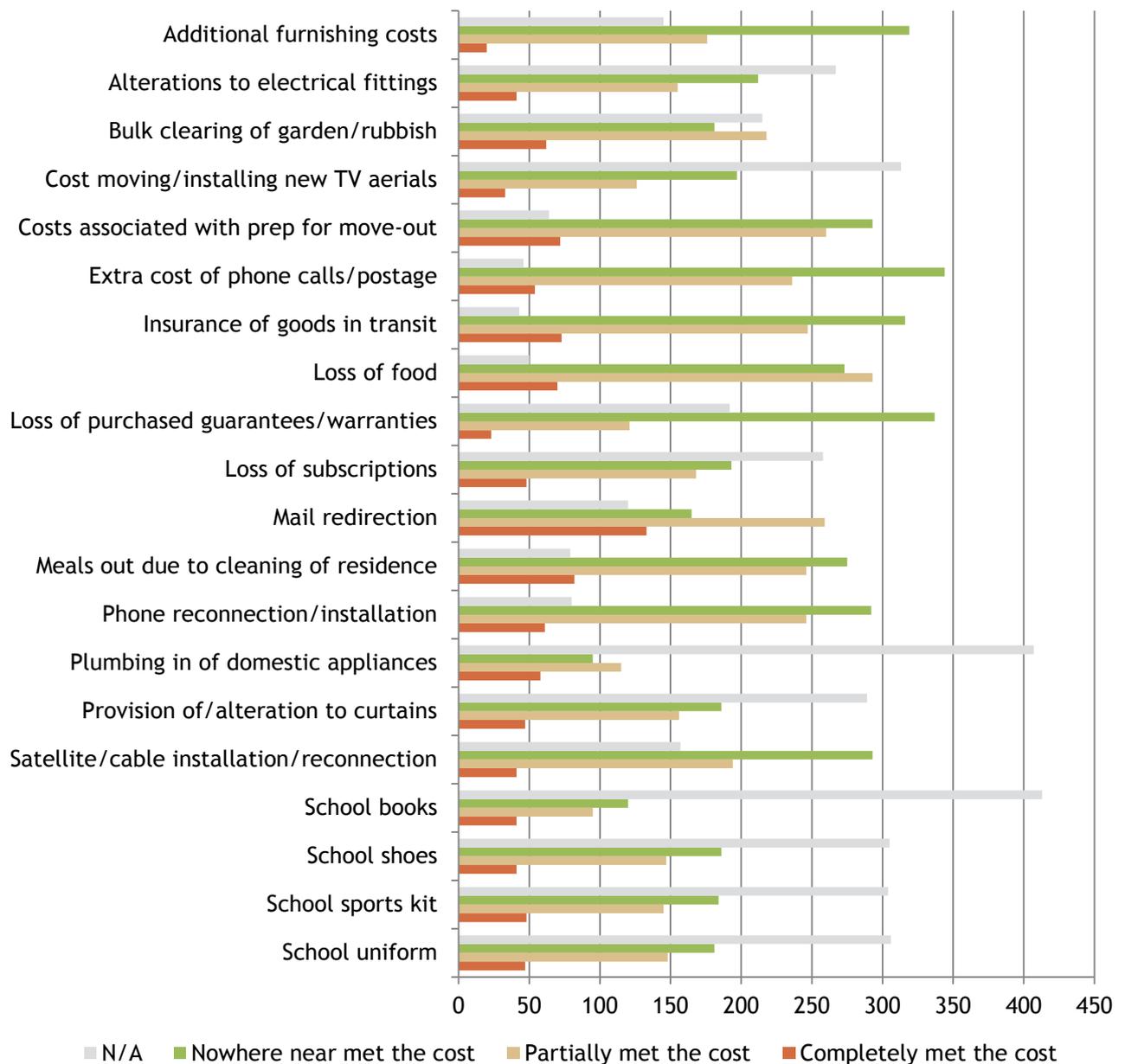
Falkland Islands	Malaysia	Uganda
France	Morocco	United Arab Emirates
Jordan	Nepal	USA

Sufficiency of DE

In response to the question, ‘Do you think that the Disturbance Expense for your overseas move compensated you sufficiently for the expenses that you incurred as a direct result of your move overseas?’, 90% of families answered no.



Families were asked how well the individual elements of Disturbance Expense compensated them for their overseas move. Some found this question difficult to answer, as they did not know how much each element accounted for in terms of the overall amount of DE. In recognition of this difficulty, we recommend that a breakdown of DE is made available to families. This would aid understanding on whether a constituent part accounts for 2% or 20% of the overall amount. The results are shown below:



The majority of respondents indicated that DE only partially or nowhere near met the cost of any of the 20 individual elements, where applicable. In 16 of the 20 elements, families suggested that DE nowhere near met the cost. The top 10 categories which attracted 'nowhere near met the cost' responses were:

- Extra cost of phone calls/postage
- Loss of purchased guarantees/warranties
- Additional furnishing costs
- Insurance of goods in transit
- Satellite/cable reconnection/installation
- Phone reconnection/installation
- Costs associated with preparation for move out
- Meals out due to cleaning of residence
- Loss of food
- Alterations to electrical fittings

When the 'nowhere near met the cost' and 'partially met the cost' responses are combined, families felt they were left out of pocket to some extent in every single category which makes up DE.

These responses corroborate the earlier figure of 90% of respondents who said that they were insufficiently compensated for their overseas posting. Taken to its logical conclusion, the vast majority of families have reported that their overseas posting was not cost-neutral and that they were in fact left out of pocket.

Costs incurred not covered by DE

Almost half of respondents provided details of costs incurred as a result of moving overseas that were not covered by DE. We received an enormous amount of detail here but families' responses can be summarised thus:

Cars

- Highlighted as a very significant cost by a majority of respondents from almost every country listed above
- Rise in car insurance in many overseas locations
- Could only claim for bringing over one car, when brought two
- Buying and fitting of continental headlights (£1,500 quoted) and winter tyres where required (£1,000 quoted)
- Registration of the car in overseas location, including hidden costs not highlighted to families in advance of posting
- Money lost in process of selling/buying cars in order to go overseas when family would not have otherwise sold the car
- Buying a new car that is suitable for the country e.g. being advised to have a certain type of vehicle in some locations, say a 4x4 below a certain age
- Loss of no claims bonus on return to UK due to moving somewhere insurance company would not recognise
- Loss of breakdown cover already paid for
- Hire of car whilst own car being transported to new location
- Having to buy a second car as SFA too far from work location to walk, run or cycle (and all of the costs associated with running a car)
- The significantly higher cost of used vehicles in many overseas locations compared to UK prices
- High maintenance costs when families buy used - often significantly used - cars
- Cost of obtaining new driving licence from host country
- Cost of storing car in UK
- Could the MOD long-lease cars to personnel overseas if possible in location? This could avoid significant outlays for families
- Outlays in relation to vehicles ranged from £500 to £30,000 in a case where driving a brand new vehicle is recommended. Majority £2,000 to £5,000

White goods/furniture/belongings

- Buying white goods, often because not provided with SFA and removals allowance not generous enough for families to transport their own white goods
- Having to purchase new furniture that fits into the new home (again, removals allowance cited as too small in many instances)

- Buying new small household appliances (kettle, toaster etc) due to change in voltage
- Additional household furniture required due to removals allowance
- Cost of buying appropriate weather kit such as fly screens, sunblocking equipment and appropriate clothing in hot countries and cold weather kit such as boots, coats and masks in cold countries (both being required in some cases)
- Impact on return of potential damage/significant deterioration to goods (particularly electrical and white goods) left in storage
- Purchase of curtains for much larger houses
- Purchase of new bedding as UK bedding is a different size to that in some overseas locations
- Cost of move out cleaning not compensated for sufficiently
- Higher cost of food/alcohol in many locations
- Purchasing items already owned but in storage in the UK because of removals allowance
- Quality of 'get you in pack' necessitated purchase of items such as bed linen and kitchenware

Pets

- Cost of transporting and insuring pets, including cost of crates (figures provided ranged from £500 to £1,500)
- Pet passports
- Pet vaccinations

Travel costs

- Expensive travel costs not met by the allowance
- Cost of visit from children in the UK/insufficiency of SCV

Internet costs/mobile phones

- Cost of cancelling mobile phone, landline and internet contracts in the UK (often having to buy way out of contracts which can be extremely costly). A family in Canada had to pay £500 for mobile phone contracts alone. Another in Germany quoted £600.
- Internet costs e.g. having to pay one year up front in Kenya

Delay in removals

- Costs linked to delay in removals or time belongings spent in shipping, e.g. having to buy new clothes, toys, eating takeaways as no fridge, paying for excess baggage

Financial

- Bank charges from going overdrawn, due to difficulties in receiving post and accessing online banking
- Cancelling UK insurance with no refund, e.g. car, mobile phone or house insurance
- Penalty payable for cancelling insurance
- Loss through having to exchange salary from sterling into local currency
- Loss of spousal salary
- Bank charges due to the overseas country not having free bank accounts
- Impact on credit rating in the UK which can make it difficult to access the best deals upon return to the UK (mortgages, loans, general credit)
- Medical insurance for out of state travel (could use free EHIC within Europe)

- Cost of insurance for goods in transit - removals and cars
- Cost of insurance for goods left in storage
- Cost of insurance high in overseas location due to factors such as lack of no claims, no local credit history, foreigners being charged higher premiums (Canada, France, US, Norway some examples)
- Repaying finance in order to sell item
- Some said insurance costs alone were more than entire Disturbance Expense

Other

- Childcare due to lack of after school facilities on overseas location
- Single soldier, own property rented out so moved into SLA and therefore only entitled to £85 Disturbance Expense
- Preparation of own house for letting and agency fees
- Additional Mess kit
- £81 insufficient for school uniform purchase
- Having to purchase bike because SFA too far from work and cannot afford second car
- Cost of excess baggage when flying to locations with no trooper, particularly postings further afield
- Loss of professional fees paid by spouses who leave work when accompanying the serving spouse overseas
- Significant number of respondents commented on the financial impact of losing a second income when posted overseas

Some of the items and services listed above may be covered by other allowances, particularly Local Overseas Allowance. The fact that families have listed these items and services indicates that families could require access to more detailed information about what is covered by the allowances that they receive, or are entitled to receive.

Further comments from families on DE

Respondents were provided with an opportunity to comment on any other factor relating to DE:

- Disturbance Expense does not take into account that for some locations it takes six weeks to ship out belongings and to ship them back on return
- It should be higher than UK allowance if moving overseas
- It should be tiered depending on location
- Previously been told that some costs involved with moves are recouped through LOA over duration of posting. Some postings now shorter (for example BFG) so the costs can therefore never be recouped
- Does cover a wide range of expenses and is paid quickly (in most cases - somebody reported having to wait 12 months for payment)
- Insufficient and out of date for modern living
- How can a move from Andover to Aldershot receive the same compensation as a move from Catterick to Cairo?
- Should be paid immediately as per other JPA expenses, rather than in the monthly pay run
- Defence/Military Attachés talked about the perceived unfair deal they receive vis a vis FCO counterparts

- FCO families apparently receive a payment broadly equivalent to Disturbance Expense but it is four times that which MOD families receive
- Families provided figures for their overall moving costs. These included:
 - £2,000 (Gibraltar)
 - £2,000 to £5,000 (Cyprus)
 - £2,500 (Germany)
 - £3,800 (Norway)
 - £5,000 (Falkland Islands)
 - £5,000 to 10,000 (Kenya)
 - £6,500 to £10,000 (USA)
 - £8,000 (a DA posting)
 - £9,000 (Brunei)
 - £9,500 (Canada)
 - £30,000 to £35,000 (a DA posting)

Statements from families

Families provided informative statements about their thoughts on DE.

“We shouldn’t have to take a month’s advance of pay to help cover the cost of a move abroad. That in itself says that we are underpaid with Disturbance Expense.”

“It’s nice to have what we’ve got even if it doesn’t cover everything.”

“We have spent at least \$5,000 on all these items and will be lucky if we recoup \$1,500 at the end of our two and a half year posting.”

“It is much worse for the move back to the UK, particularly if it is after a long period abroad due to having a very low credit rating and needing to pay very large deposits.”

“If you add up all the costs incurred by families the expense far outweighs anything we get.”

“Moving to and from overseas should have all costs incurred paid for by the Crown.”

“Overseas is expensive. You’re setting up a whole new life.”

“The system recognises the very significant set up costs of moving overseas [USA] by letting those moving take an advance of pay - justified because of set up costs! So the system knows the set up costs are large and lets people get in to debt by borrowing future pay to enable them to manage the costs. Surely this is a serious indictment of the low amount of Disturbance Expense. Ridiculous and no way to look after our people.”

“My FCO colleagues in the Embassy here get nearly four times the rate of overseas disturbance allowance - something is not quite right there.”

“It feels like my family is constantly being punished for choosing to marry a serving soldier and be with him to support him day to day. The children definitely suffer as a result of reduced funds.”

“Requires urgent review to prevent our Service personnel from being out of pocket for overseas Service.”

“Disturbance Expense was a drop in the ocean of the real cost.”

“I have served abroad on a number of occasions and every single one of those moves has cost me significant amounts of money. Why should I pay out myself when I am following an order?”

“It puts me off considering another overseas assignment.”

“We hope to never have another overseas post due to the expense it incurred.”

Summary

The high response rate to the DE survey shows that there is considerable interest in the subject of DE amongst Army families. The statistics and comments reinforce the initial issues reported to AFF earlier in 2014. The current allowance, taken as a whole, is considered by many to be woefully inadequate.

This report accurately reflects the content and tone of comments received from families. We can provide a full list of anonymised comments which provide further detail about families’ thoughts and experiences if required.

There appears to be a need for clearer information on what DE is designed to compensate families for and what portion of the overall amount each constituent element represents. Similarly, there is a lack of information about the remainder of the overseas allowance package. A significant number of families raised the issue of winter tyres and changing car headlights; we understand that this significant expense is accounted for in LOA where applicable, but families are arguably not aware of this. Additionally, families need to remain in a location long enough to benefit from LOA, which possibly is an issue for those affected by rebasing from Germany. Such comments could have been included because families consider that they are insufficiently compensated by the remainder of the overseas allowance package.

Many families suggested making Disturbance Expense location specific so far as is reasonably practicable. What is clear from families’ feedback is that different postings can cost families vastly different sums of money. Postings to Cyprus certainly seem to cost families much more than a posting to Germany/NW Europe. However, postings to the likes of Canada, Kenya, the Falklands, Brunei, the US and the plethora of Defence/Military Attaché posts we heard from are likely to cost families even more.

In many cases, families cited an ungenerous removals allowance as the reason they felt compelled to purchase certain items and be left out of pocket. A review of the removals allowance for overseas postings may therefore be required. Increasing the removals allowance and therefore reducing, or perhaps eliminating in some cases, the cost of storage in the UK could possibly be more cost-effective, particularly for longer postings.

AFF View

Army personnel and their families have borne the brunt of allowance cuts and pay freezes for almost five years now. The costs of an overseas move should not have to be met by families themselves; these moves should be cost-neutral. AFF does not believe that it is sufficient to rely on costs evening out over the course of a full career. AFF would like to see the concept of location specific Disturbance Expense explored, but not to the detriment of reducing the current Disturbance Expense for UK moves. Families have unequivocally told us that they have bankrolled the Army's overseas postings for too long. Addressing this significant financial disadvantage could go a long way to improving the overseas offer.

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