



# Building Scotland's financial wellbeing after Covid-19

**The story so far**  
November 2020

[moneyandpensionsservice.org.uk](https://moneyandpensionsservice.org.uk)



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Pensions  
Service**

# Thank you

**The Money and Pensions Service would like to thank all the individuals and organisations that participated in the Virtual Roundtables for Scotland. Without their contributions and insights, production of this document would not have been possible. All participating organisations are listed below.**

|  |   |  |   |
|--|---|--|---|
| Aberdeen Standard Investments  | Community Justice Scotland                                  | MyBnk                                    | Shelter Scotland                          |
| Advice Scotland  | Confederation of Service Charities                          | National Rural Mental Health Forums      | Shop Works                                |
| Aegon UK   | Construction Industry Training Board                        | Naval Family Federation                  | Soar                                      |
| Age Scotland   | COSLA   | Nude Finance                             | Social Investment Scotland                |
| Alzheimer Scotland   | Council of Ethnic Minority Voluntary Organisations Scotland | One Parent Families Scotland             | South Lanarkshire Council                 |
| Argyll and Bute Council  | Daisy Project   | Phoenix Group                            | Spora Steria                              |
| Armed Services Advice Project  | Direct ID   | Pinsent Masons                           | SSAFA                                     |
| Association of British Credit Unions Ltd                             | Dundee City Council   | Poppy Scotland                           | Standard Life                             |
| Association of British Insurers                                      | Equality Scotland   | Poverty Alliance                         | StepChange Debt Charity, Scotland         |
| Business in the Community  | Experian  | Public Health Scotland                   | Support in Mind Scotland                  |
| Campaign for Learning  | Financial Conduct Authority                                 | Radiant and Brighter                     | Surviving Economic Abuse                  |
| Capital Credit Union   | FinTech Scotland  | Renfrewshire Council                     | Trading Standards Scotland                |
| Carnegie Trust   | Forces Pension Society                                      | Rock Trust                               | Trust Housing Association                 |
| CELCIS, the Centre for Excellence for Children's Care and Protection | Glasgow Caledonian University                               | Royal Bank of Scotland                   | University of Edinburgh                   |
| Chartered Institute of Personnel and Development                     | Glasgow City Council  | Royal London                             | University of Strathclyde                 |
| Child Poverty Action Group in Scotland                               | Glasgow East Women's Aid                                    | Scottish Association for Mental Health   | Veterans Scotland                         |
| Children in Scotland   | Hourglass   | Scotcash                                 | Visible Capital                           |
| Citizens Advice Scotland   | Hymans Robertson  | Scottish Building Society                | West Lothian Credit Union                 |
| Citizens Advice Scotland/ Pension Wise                               | Improvement Service   | Scottish Government                      | Who Cares? Scotland                       |
| Close the Gap  | Inbest  | Scottish League of Credit Unions         | Workers' Educational Association Scotland |
| Coalition for Racial Equality and Rights                             | Legion Scotland   | Scottish Legal Aid Board                 | Working Families                          |
| College Development Network  | Mental Health Foundation                                    | Scottish Qualification Authority         | Young Enterprise Scotland                 |
|  | Ministry of Defence   | Scottish Throughcare and Aftercare Forum | Young Scot                                |
|  | Money Advice Scotland                                       | Scottish Widows                          | Youth Scotland                            |
|  | Money Dashboard   | Scotwest Credit Union                    | YouthLink Scotland                        |
|  |   |  | YWCA                                      |

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I would like to thank everyone who gave up their time to join us at our virtual roundtable sessions and to all the Scottish representatives on the UK challenge Groups who have generously contributed our work.

I also want to recognise all of the organisations who are working hard to support the financial wellbeing of people across Scotland, especially in these difficult times.

Allison Barnes, Scotland Manager, MaPS



# Foreword

## From the Chairs of the Scotland Virtual Roundtables

The coronavirus pandemic has been a crisis with an unprecedented global impact that has affected many aspects of all our daily lives in ways that were previously unimaginable. In particular, the resultant financial shocks have been felt by many individuals and families across all sections of the community in Scotland, leaving them in need of assistance, advice and guidance to rebuild their financial resilience. The Money and Pensions Service (MaPS) recognised this at an early stage and through its independent Challenge Group Chairs, who were appointed to make bold recommendations to progress the UK Strategy for Financial Wellbeing, has responded at a UK level by developing a set of focused recommendations that address the key financial wellbeing issues arising from the crisis.

The purpose of this report, therefore, is to outline the action that will be taken by partners and stakeholders to rebuild financial wellbeing in Scotland until the end of 2021. It also outlines the story so far as it relates to the development of activities to deliver the ambitious goals of the UK Strategy in Scotland.

As members/chairs of the UK Challenge Groups, we have all been involved in helping to shape the delivery of the UK Strategy in Scotland over the past six months by chairing a series of virtual roundtables with stakeholders from across Scotland. We would like to thank all of the members of the UK Challenge Groups and especially, everyone who engaged with the virtual roundtables in Scotland for their valuable contribution to our work in this area.

We recognise that the Covid-19 pandemic has had, and will continue to have, a significant impact on the financial wellbeing of everyone in Scotland. This means that pausing to reflect on what is needed to restore financial resilience in the short term is the only way to ensure the success of the strategy in the longer term.

- Mike Douglas (Age Scotland) – Future Focus: Long Term Savings
- Pete Glancy (Scottish Widows) – Future Focus: Decumulation and Later Life
- Jackie Leiper (Lloyds Banking Group) - Gender
- Yvonne Macdermid OBE (Money Advice Scotland) – Better Debt Advice
- Louise Macdonald OBE (Young Scot) – Financial Foundations
- Marlene Shiels OBE (Capital Credit Union) – Nation of Savers
- Frances Simpson (Support in Mind Scotland) – Mental Health
- Douglas White (Carnegie Trust UK) – Credit Counts



# Our approach

## The Scotland Delivery Plan

The UK Strategy for Financial Wellbeing was launched in Scotland in March 2020 and was the culmination of a wide-ranging consultation that involved over 1000 stakeholders across the UK over a period of three months. The Strategy is a ten-year framework which will help achieve the vision of everyone making the most of their money and pensions.

At an early stage in the evolution of the Strategy, it was decided that in order to be fully effective, a delivery plan for each of the four UK nations should be developed to drive progress. Each delivery plan will take account of the policy and cultural context of each nation and this report outlines the journey so far in Scotland. To this end, the Cabinet Secretary for Communities and Local Government, Aileen Campbell MSP, agreed that the Delivery Plan will be developed in partnership with the Scottish Government.

Our original commitment was to deliver long-term delivery proposals for the UK Strategy for Financial Wellbeing by the end of June 2020 and create a Scotland delivery plan. As the Covid-19 crisis developed, it was clear we were going to have to do things differently. We made two changes to our approach.

Firstly, we agreed that we needed to publish some urgent recommendations to address the financial wellbeing implications of the Covid-19 crisis in 2020. This report represents the story so far of how we have engaged in Scotland on the Strategy since its launch in March 2020. It shows how our partners and stakeholders have provided input into the thinking for UK recommendations and considers how the short-term recommendations will be delivered in Scotland.

Secondly, we agreed that the logical date to complete our mid and long-term delivery proposals should now be December 2020 and that these will be published in March 2021. To do this, we will work with leaders, policy makers, practitioners and other stakeholders from across the public, private and voluntary sectors in Scotland, to develop a 10-year Scotland Delivery Plan for the UK Strategy for Financial Wellbeing. As you read this report, we will be well on the way to finalising those proposals.





# A Rebuild Response to Covid-19

Due to the global pandemic, this is an interim report. Accordingly, we have deliberately set ourselves a narrower focus to take account of these unique circumstances. We have therefore made recommendations that can be rapidly implemented and could make a real difference to people's lives. Our target is to deliver these by December 2021 and, we hope, much earlier where possible.

Additionally, as highlighted in the foreword, we held a series of virtual roundtables that were initially intended to focus on the Scotland delivery plan but were repurposed to take account of Covid-19. We then continued to consult with our stakeholders to make sure that short term rebuild measures being developed at a UK level in response to Covid-19 took circumstances in Scotland into account. We did this by working with Scotland representatives on MaPS UK Challenge Groups and the established MaPS forums in Scotland.

People who are experts in their field, through both lived experience and professional expertise, have come together from across Scotland and the UK to develop the recommendations within this report. To make these recommendations deliverable, we will ensure our plans recognise the legislative and social policy landscape in Scotland.

Together, we have set out clear, ambitious plans for how we can deliver a rebuild response to the coronavirus pandemic. This will feed into an overall Delivery Plan that will act as a catalyst for the improved financial wellbeing of all people in Scotland.





# The Policy Context in Scotland

The UK recommendations in this report need to be considered in the context of the areas of policy which are devolved to Scottish Government. These include debt, education, health, housing, some social security benefits and tax raising powers.

We have been working with the Scottish Government to ensure that, in a Scottish context, this short-term response is consistent with, and where possible adds value to Scottish Government high-level policy areas and strategies.

The recently published Programme for Government (PFG) – sets out the actions the Scottish Government will take in the coming year in response to Covid-19. Within the PFG there are clear links to the goals of the UK Strategy. This includes, but is not limited to:

- supporting the affordable credit sector and credit unions;
- tackling debt;
- increasing funding for apprenticeships;
- “policy circles” exploring proposals for financial security that feed into the Scottish Government’s Social Renewal Advisory Board;
- exploring how financial wellbeing contributes to the outcomes of Scottish Government strategy and policy. An infographic demonstrating this can be found in the appendix to this report.










# UK Strategy for Financial Wellbeing

The UK Strategy is built around five **agendas for change** with goals to be achieved by 2030. These are:

- **Financial Foundations:** 6.8 million children and young people getting a meaningful financial education – an increase of 2 million from 2019;
- **Nation of Savers:** 16.7 million working age people who are struggling and squeezed saving regularly – an increase of 2 million;
- **Credit Counts:** 2 million fewer people often using credit to pay for food or bills;
- **Better Debt Advice:** 2 million more people getting the debt advice they need; currently only 32% of those who need debt advice access it;
- **Future Focus:** 28.6 million people understanding enough to plan for their later lives, and during them – an increase of 5 million.

In Scotland, this means:

## Priorities for Financial Wellbeing - Scotland

|  |   |   |  |   |
|--|---|---|--|---|
|                                   |                                  |                    |  |                            |
| <b>Financial Foundations</b>   | <b>Nation of Savers</b>   | <b>Credit Counts</b>  | <b>Better Debt Advice</b>  | <b>Future Focus</b>   |
| <b>2030 NATIONAL GOAL</b>  | <b>2030 NATIONAL GOAL</b>   | <b>2030 NATIONAL GOAL</b>   | <b>2030 NATIONAL GOAL</b>  | <b>2030 NATIONAL GOAL</b>   |
| <b>150,000</b> ↑<br>more<br>(up from 404,000)<br>children and young people getting a meaningful financial education. | <b>140,000</b> ↑<br>more<br>(up from 1,050,000)<br>working age 'struggling' and 'squeezed' people saving regularly. | <b>140,000</b> ↓<br>fewer<br>(up from 642,000)<br>people often using credit to buy food or pay bills. | <b>150,000</b> ↑<br>more<br>(up from 130,000)<br>people accessing debt advice.       | <b>430,000</b> ↑<br>more<br>(up from 2,000,000)<br>people understanding enough to plan for, and in, later life. |

To meet these ambitious targets, each agenda for change is being explored at a UK level by cross-sector groups of experts, known as Challenge Groups. Each group has at least one representative from Scotland. The groups are setting milestones that will contribute towards better financial wellbeing. They are currently working to address the key strategic financial priorities for the UK, come up with some bold proposals and help create plans to see them put into action.

In addition to the five Challenge Groups attached to the agendas for change, two further groups were established to examine factors which can make people particularly susceptible to financial detriment, such as mental health conditions and gender. These groups

are exploring the intersections between mental health, gender and each agenda for change.

Finally, a group examining how workplaces can be optimised as a delivery channel for financial wellbeing products, advice and support is also creating proposals.

The remit of all these groups has changed in response to the crisis and their efforts have been collated to develop this short-term response.

# Impact of Covid-19 in Scotland

Since lockdown commenced on 24 March 2020, the impact on the Scottish economy and on Scottish communities has been significant. A number of economic reports published in early May 2020 outlined some key headlines.

A NatWest Group survey indicated that private sector activity in Scotland had fallen at an unparalleled rate. Its Purchasing Managers Index (PMI)<sup>1</sup> recorded a large drop in new business, with the PMI for April suggesting service sector business saw a more rapid decline than manufacturing, although both sectors saw record falls in overall activity.

In addition, a Scottish Council for Development and Industry (SCDI) briefing paper<sup>2</sup> warned of the impact of Covid-19 on employment sectors including oil and gas, aviation, tourism and hospitality, which are all significant for the Scottish economy. The SCDI briefing also noted that Scottish employers were shedding jobs at a faster rate than UK-wide firms. It said just over half (51%) of Scottish businesses had reduced staff numbers while 81% had cut staff working hours.

At the UK level, MaPS has compiled some data and other information around the impact of Covid-19 on the Agendas for Change.

**Financial Foundations** - A Barnardo's survey found that 41% of children and young people said they were more lonely than before lockdown, and 74% missed going to school or college<sup>3</sup>

**Nation of Savers** - A survey by YouGov found that over half (54%) say the crisis has negatively impacted their savings<sup>4</sup>

**Credit Counts** - A Standard Life survey found that 10% of households were in serious financial difficulty and a further 16% were struggling to make ends meet<sup>5</sup>

**Better Debt Advice** - StepChange Debt Charity has seen an increase in traffic on its debt collection web pages<sup>6</sup>

**Future Focus** - The Scottish Widows retirement report found that 89% of adults had taken no action on their pension due to Covid-19<sup>7</sup>

It is also envisaged that by 2021, when all forbearance will have ended, up to one-third of the adult population are likely to be on the edge of financial distress. We calculate one-sixth will be in deep financial distress.

1 [NatWest Regional PMI® data](#) – NatWest Group, April 2020

2 [STATE OF THE NATION SCDI's Economic Data Briefing](#) – SCDI, Glasgow, May 2020

3 Barnardo's, Generation lockdown: a third of children and young people experience increased mental health difficulties, 30 June 2020

4 YouGov, COVID-19 economic crisis hits those already struggling hardest of all, 30 June 2020

5 Standard Life Foundation, Emerging from Lockdown, Coronavirus Financial Impact Tracker Survey, September 2020

6 StepChange, Debt advice during coronavirus, June 2020

7 Scottish Widows, Retirement Report 2020, June 2020

## Experiences in Scotland

During our Scotland Virtual Roundtables, we heard from our partners and stakeholders about the impact of the crisis. Although all the roundtables were discussing different topics and potential target customer groups, the same themes were emerging in relation to Covid-19 across the groups. These included:

- **Digital delivery channels coming to the fore.** As households went through lockdown and traditional modes of communication became difficult, many are turning to screens and devices for information and advice. Whilst many individuals and organisations adapted to this at pace, others were left behind. This was not just people who lacked skills or hardware but, for example, smaller organisations were unable to invest in large scale digital transformation projects due to lack of resources.
- **Financial resilience and the widening economic divide** between those in professional and white-collar occupations whose employment suits homeworking, and those in often lower paid jobs, such as hospitality and retail, who were laid off or furloughed. Those in the former group were believed to be financially better off as there were fewer opportunities to spend, and those in the latter were experiencing real financial stress. In particular, the impact on women and BAME communities was felt to be disproportionate and this is now being borne out by data.
- **The impact on mental health.** Isolation, working from home, home schooling children and income shocks were all seen as being among a coalition of circumstances unique to this pandemic that individuals and families are having to cope with. For some people, this may become an enduring condition and will have an ongoing impact on their financial behaviour and decision making. All the groups discussed how these households could be supported.
- **The population of Scotland will emerge from the crisis in a very different financial place** to where they entered it, be this for good or ill. All the roundtables recognised that the UK Strategy and the development of the Scotland Delivery Plan were vehicles for supporting and improving financial wellbeing through this unprecedented time.

## Scottish Government Response

The Covid-19 pandemic – the single greatest public health crisis of our lifetimes – has had a profound impact on Scotland's health, economy and society.

As an immediate response, backed by an initial £350 million communities funding package, the Scottish Government provided significant support to individuals impacted by Covid-19. The Scottish Government committed over £130 million to tackle food insecurity, including supporting the provision of Free School Meals over the holiday periods. It also increased investment in the Scottish Welfare Fund, distributing an additional £22 million to local authorities immediately to meet increased demand. It introduced the Coronavirus Carer's Allowance Supplement of £230.10 which was paid in June 2020, benefitting around 83,000 unpaid carers in Scotland. These are just examples of a much wider set of responses – focused on supporting those least able to endure the crisis.

The Programme for Government, published in September 2020, outlined the wealth of actions to be taken forward in the year ahead, with a focus on job creation, lifelong health and wellbeing, and equality. These actions will be taken together with actions which suppress, and work to eliminate, the Covid-19 virus in Scotland – to allow for sustainable recovery in the medium to long term.



# How did MaPS respond?

MaPS responded to the immediate needs of customers through its money and pensions guidance helplines and websites.

To help customers navigate the rapidly evolving impacts of Covid-19 on their money and pensions, MaPS:

- Developed a new online **Coronavirus hub** (Coronavirus – what it means for you and what you're entitled to) with the latest information across a range of subjects, including employment and self-employment rights and benefits, payment holidays, car finance, housing, pensions, scams and more.
- Set up a new **Facebook group** (Coronavirus and your money) moderated by guidance specialists, with over 10,000 active participants and an additional group on debt advice.
- Introduced a **Covid-19 option on our money guidance helpline** and digital channels to help manage demand and ensure customers could get the help they need as seamlessly as possible.
- Developed an online **Money Navigator Tool** to help people who have seen their finances impacted by Covid-19, by providing them with guidance personalised to their need.

## Partnership Manager

Our **Scotland Partnership Manager** has shared our coronavirus support, guidance and information with various partners, including banks, building societies, Chambers of Commerce, membership bodies and NHS Health Boards across Scotland. This assistance has been welcomed and widely disseminated by these organisations: one large public sector employer dedicated a full page to MaPS in their monthly newsletter, providing useful signposting to our services for its 44,000 workers and 200 local businesses.

## Career and redundancy support

As many people have been impacted by the changes in the employment market during the pandemic, we are working with a Scottish Government agency team that provides help and support to those who have been made redundant and signposts people to money and pension guidance.

We have reached out to many employers to offer free, impartial and confidential money guidance. We have also developed a library of resources that can support workers and their families through difficult periods that have arisen as a result of Covid-19. Major companies and representative federations have progressed this through disseminating information about the services and support MaPS can provide in this area.

# Shaping UK Wide Recommendations

## The process of shaping re-build recommendations across the UK

When the Covid-19 crisis gripped the UK, it was clear that the pandemic presented everyone with a changed working environment and a range of physical, mental and financial impacts to consider.

Recognising this, MaPS decided to create a rebuild response to explore what could be done to rebuild financial wellbeing before the end of 2021. This work was undertaken primarily by the UK Challenge Groups with a representative from Scotland on each group. These representatives chaired a series of virtual roundtable discussions with stakeholders across Scotland. All of these discussions, both on a UK-wide level and specific to Scotland have helped to shape the final UK wide recommendations.



## The virtual roundtables

For the UK Strategy to make a meaningful impact on the people of Scotland and achieve our challenging National Goals across the five agendas for change, it is paramount to gain insights from a broad spectrum of organisations, and the people they serve.

MaPS has a mandate to ensure that the financial requirements of the vulnerable and most in need are fully considered, so we have coordinated and hosted a series of Virtual Roundtables with key partners in Scotland throughout May – October to capture vital considerations and help frame our recommendations.

We held 16 meetings, many of which were chaired by one of the Scottish representatives on the UK Challenge Groups. These were attended by around 220 individuals from over 100 organisations. The level of engagement, interaction and contribution has been incredibly productive, and MaPS in Scotland has been able to engage with stakeholders who have not previously had a voice in the financial wellbeing sphere. In addition, we have presented information about the UK Strategy and the agendas for change to four national rural mental health forums convened by Support in Mind Scotland.

These roundtables have mirrored the topics and cross-cutting themes contained within the UK Strategy and have also allowed us to explore other important issues specific to Scotland.

The subjects covered and examined in the conversations so far include:

- Financial Foundations: Early Years and Pre School
- Financial Foundations: Educational Institutions
- Financial Foundations: Non-Formal Settings
- Financial Foundations: Young Workforce
- Nation of Savers
- Credit Counts
- Better Debt Advice
- Future Focus: Long Term Savings
- Future Focus: Decumulation and Later Life Savings
- Workplace

- Gender
- Mental Health
- BAME
- Economic Abuse
- Veterans and Serving Armed Forces Personnel
- Fintech

Output from these wide-ranging discussions has been invaluable and will support our work to develop interventions in sectors disproportionately affected by the Covid-19 and other pre-existing issues relating to financial wellbeing. Links to the briefings and reports for each meeting are included in the sections for each theme.

Our ongoing relationships with influential stakeholders will enable us to create a financial wellbeing movement in Scotland, effecting a lasting difference to people's lives in the next decade and beyond.

As we move towards developing our medium to long term recommendations, we will be hosting another tranche of roundtables that will explore these themes in more depth. In addition, we will be running further sessions focussing on disability, LGBT and Housing.

This section summarises what we have heard at the Scottish Roundtables and any recommendations that could make a real difference to the success of rebuilding financial resilience and wellbeing in Scotland. The groups went through a process of identifying activities that could contribute to an immediate response to economic recovery across all the agendas for change. Where possible, these activities are intended to be delivered in partnership with key stakeholders. A summary of these activities can be found later in this document.

Other themes and ideas that emerged from the roundtables have not been lost in the development of this short-term response. They will be taken forward as discussions relating to the mid to long-term recommendations to form the Scotland Delivery Plan. This will be explored at roundtables that MaPS will convene later in the year.



# Financial Foundations



The outcome for Financial Foundations is for 150,000 more children and young people in Scotland getting a meaningful education.

We hosted four roundtables for this Agenda for Change that covered various stages in a child's development. These were:

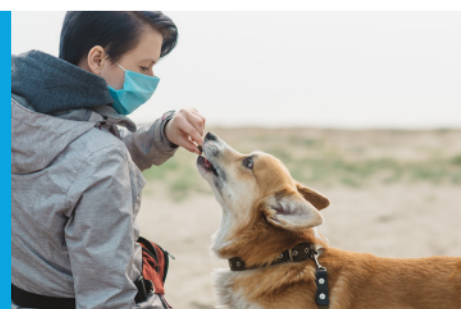
- Early Years and Pre-School (full [briefing](#) and [report](#) here)
- Educational Institutions (full [briefing](#) and [report](#) here)
- Non-formal Settings (full [briefing](#) and [report](#) here)
- Young Workforce (full [briefing](#) and [report](#) here)

## What we heard at the roundtable

We discussed the following issues, that were seen as being areas where change could result in real impact.

- **Digital exclusion** was a subject that many stakeholders discussed at all four of these roundtables. They told us that a **digital divide** was becoming apparent as a result of Covid-19 and this had been thrown into sharp relief through remote working and home schooling. Households already experiencing economic disadvantage were disproportionately affected. A solution could be to provide families with the hardware and support required to access services, information and learning through digital channels. Scottish Government has committed £43 million for their Connecting Scotland programme to tackle digital exclusion which will reach 50,000 households, providing a device, internet connection, training and support to get people online.
- Financial education was fully discussed across children and young people's life and learning journey. In the early years space, a **resource for early years practitioners** could follow some of the principles of the Talk, Learn, Do model (which has been successfully rolled out in Wales) but delivered in early years settings rather than by parents.
- It was also felt that listening to children would result in the creation of learning tools and methods with which children and young people can fully engage. Therefore, working with children and young people to establish their **preferred methods of receiving and participating in financial education** using co-production techniques could facilitate this.
- Complementing this, the development of **teacher training programmes in all educational institutions** that encourage new teachers to develop partnerships with external experts to deliver financial education was thought to be important. This should equip educators with the knowledge, skills and resources to adapt and tailor learning to individual children and situations.
- Care experienced children and young people were identified as an already vulnerable group who had felt the effects of the pandemic particularly acutely. Therefore, exploring the development of a **financial education package aimed at care experienced children and young people and their carers** would be beneficial. This should have a focus on household budgeting and debt management as debt is an area of concern for this cohort of young people when living independently.
- Finally, at the upper end of the age spectrum, the importance of **financial education for young workers and modern apprentices** was discussed but considered to be a matter that may need to be delivered in the medium term, although smaller scale, quick wins could be an option. It would also need to be delivered through several channels, such as by colleges and employers.

# Nation of Savers



The outcome of the Nation of Savers is for 140,000 more **financially struggling**<sup>8</sup> and **financially squeezed**<sup>9</sup> people in Scotland to save regularly.

## What we heard at the roundtable

Full [briefing](#) and [report](#) here

- **Changes in saving behaviour** immediately before and during lockdown were discussed. Initially, many savers rushed to withdraw “rainy day” savings, only to redeposit them as the situation stabilised.
- Overall, the sector had seen that savings were rising, lending had dropped but there were very few new savers.
- As lockdown impacted in-branch or in-person transactions, customers began to adjust to **managing savings online or over the phone**, although this must be balanced against people who find engaging with digital methods more challenging. Overall, it was felt that the sector could examine how to engage differently post-Covid-19, offering more digital routes to engagement.
- The use of smartphone apps has increased during lockdown, particularly target driven apps that include gamification and reward when targets are achieved. It was felt that the sector could learn from this and **develop a greater range of methods for savers to engage with their savings** and services, such as gamification, goals and rewards. Support should also be provided where required.
- A range of concerns were raised as to likely outcomes when some of the **emergency protections begin to be lifted**. Once forbearance comes to an end for example, there will be people who are in very different, and for some rather worse, financial position than before the crisis. There is a risk of a cliff edge once these protections ceased, leading to a sudden financial shock. This could impact on such issues as debt position, the possibility of eviction/ repossession of accommodation as well as the ability to save.

8 These people struggle to keep up with bills and payments and to build any form of savings buffer. They are the least financially resilient and the most likely to be over-indebted.

9 This group are often working-age with significant financial commitments but relatively little provision for coping with income shocks. They are digitally savvy.

# Credit Counts



The outcome for Credit Counts is for 140,000 fewer people using credit to buy food or pay bills, and more people access affordable credit and make informed choices about borrowing.

## What we heard at the roundtable

Full [briefing](#) and [report](#) here

- **In the affordable credit sector**, overall there had been a reduction in loan applications leading to a loss in income for credit unions. In terms of credit assessments, credit unions were attempting to strike a balance between the needs of members, particularly amongst those who have been furloughed or made redundant, and responsible lending. There had been no increase in withdrawals from accounts.
- **Flexible repayment terms** would be required for customers emerging from the immediate crisis. This could include lower repayments and changing the frequency of repayments to meet changing circumstances.
- More customers will require **advocacy advice and support** post Covid. For example, many customers are claiming social security benefits for the first time and need assistance to navigate the system. They also need help with managing and supporting the additional costs associated with being in the home for prolonged periods of time.
- The **use of data**, as a result of open banking, has the potential to support more customer responsive products, developing new assessment methods based on patterns of income and spending.
- In a separate rural session on this topic it was raised that not everyone is aware of affordable credit providers and how to access them. It would be useful if there was a **campaign to promote this or a tool that made it easy to navigate providers**.



# Better Debt Advice



The outcome for Better Debt Advice is 150,000 more people receiving the advice they need.

## What we heard at the roundtable

Full [briefing](#) and [report](#) here

- **Organisations' responses to Covid-19** including modelling of new methods of providing services. They recognised the impact on the sector when forbearance comes to an end.
- **Supporting the wellbeing of workers in the debt advice** sector given changes to services and increased demand. It was felt that many staff were, for example, not taking regular breaks or benefitting from the type of peer support that is available when office based.
- **How data could be used in supporting work on recovery.** There are opportunities, insights and changes derived from open banking that could contribute to this. The banks also hold data that provides insights into customer behaviour during the early stages of the crisis. In excess of two million customers across the UK have taken a mortgage payment holiday and/or credit card and overdraft easement although most of the activity has been around mortgages. It was felt that the debt advice sector had not seen the real demand yet and it was estimated that only about half to two thirds of those likely to seek advice had done so far.
- **Debt advice is devolved to Scottish Government** and the discussion and suggestions are in alignment with the Debt Advice Routemap, published in December 2019 by Scottish Government, which was developed in collaboration with stakeholders in Scotland include debt advice organisations. Their vision is for a free debt advice system that is:
  - **User-centred** – free debt advice must focus on responding to the needs of those who seek it. And while quality of service and availability should, as far as practicable, be comparable across Scotland, it should reflect the differing circumstances of communities and user groups and allow them to make choices that are right for them on how and where to seek help.
  - **Collaborative** – the free debt advice sector consists of many advice providers and funders. It is important that the expertise of each is recognised, as is the value of overlapping services where these reach different communities or groups. However, we must also recognise that user needs can be well-served by more joined up services, where users can easily be referred from one provider to another. Sharing expertise can also reduce costs and workloads for advisers, leading to better morale and service provision.
  - **Sustainable** – a free debt advice service must have a range and breadth of providers supported by adequate funding to allow them to survive. In turn, these advisers must have the requisite staff and expertise to provide a high-quality service to support users. Both goals require investment that finds the balance between supporting immediate service needs and developing services for the future.

# Future Focus



The outcome for Future Focus is 430,000 more people understanding enough to plan for, and in, later life.

We held two roundtables for this Agenda for Change, that cover the whole pension journey, from saving into a pension pot to accessing these savings in later life. These were:

- Decumulation and Later Life (full [briefing](#) and [report](#) here)
- Long Term Savings (full [briefing](#) and [report](#) here)

## What we heard at the roundtables

- There was an initial phase immediately following lockdown that led to the pensions industry in particular, having to **move towards different methods of operating** whilst still allowing people to access services.
- There is an **improving landscape for digital adoption amongst the over 50s** and there is a continuing need to encourage this. However, it needs to be recognised that some do not have online access and crucially, are not buying in to digital but this should not reduce the need to encourage digital participation.
- **Older people had been affected more widely by the crisis.** Those participants whose organisations operated helplines reported that the immediate concern for older people was being able to access basic goods and services, such as food and prescriptions. They were less concerned about their income, and money generally, at this stage
- Still too many people do not plan for potential **lack of capacity** in later life. The [My Power of Attorney](#) campaign run by Health and Social Care Scotland aimed to promote power of attorney as a positive option that everyone needs to think about.
- Saving, particularly long term saving where there may also be a contribution from an employer, is **largely related to being and staying employed.** There is already evidence of significant numbers of people losing jobs with this resulting in a reduction in income, thereby impairing the ability to save.
- Due to all the uncertainty about the future of the economy and the labour market, there is inevitably an effect on individuals, who it was felt are becoming increasingly nervous financially. People are **delaying making decisions about longer term savings** and pensions due to uncertainty about the future of the economy. With so many short-term issues currently front and centre, it is difficult for people to engage with financial planning as many are waiting for greater economic stability at a national level.
- There could be an impact on longer term savings as people question the wisdom of **locking savings into an inflexible savings vehicle** such as pensions and lifetime ISAs (LISAs). There could also be opportunities to acquire reduced price shares to add to an investment package due to the depressed stock market. However, the lack of confidence could inhibit this course of action for many savers.
- Some may decide to **withdraw from a workplace pension** to redirect these funds to other more pressing spending and will therefore lose employer contributions.

# Mental Health



The intention of the Financial Wellbeing and Mental Health cross cutting theme is to examine the impact of mental health issues across each of the five UK goals.

## What we heard at the roundtable

Full [briefing](#) and [report](#) here

- Participants from the financial sector reported that Covid-19 has been **an opportunity to increase positive customer outcomes**, particularly with vulnerable customers, which includes those with mental health issues. There has been more customer driven dialogue around their circumstances and challenges during the crisis.
- A recent survey by Support in Mind Scotland found that **a quarter of people with mental health issues either do not have access to digital (hardware and/or internet access) and/or have the skills to use it**. Many said they would use it were it available, but others expressed little or no interest in developing digital skills or having access to hardware.
- It was felt that many services currently put the onus on a person to proactively take responsibility for their situation and seek help and support. Whilst it was recognised that this is an aspect of real life, it is not always possible for a person experiencing mental ill health. However, there is still a need to examine the structural inequalities eluded to above and crucially, **the overlap between poverty and mental health**.



# Gender



The intention of the Financial Wellbeing and Gender cross-cutting theme is to address the differences in financial wellbeing outcomes across genders.

## What we heard at the roundtable

Full [briefing](#) and [report](#) here

- There were also concerns around:
  - women claiming universal credit for the first time;
  - perpetrators of domestic abuse using lockdown to commit further acts of abuse whilst women have fewer options for accessing support;
  - women resorting to survival sex work or making themselves more vulnerable through riskier behaviour when engaged in sex work.;
  - increases in indebtedness and the anxiety and stress factors that surround this;
  - poor flexibilities in Covid-19 related employment schemes that are adversely affecting women; and
  - women's insolvency exceeding men's which indicates an increase in the failure of female owned businesses.
- In many households where two parents are working from home, **there has been little change in gendered balance in unpaid work in the home**, with most of the childcare, housework and so forth still being performed by women.
- Issues with schools returning being staggered and the advent of blended learning. **Women would still require flexibilities** and there was evidence to suggest that employers may be resistant.
- **Gender needs to be fully considered as part of the economic rebuild.** It was also felt that there should not be an underlying assumption that women will fill gaps in care provision through unpaid care and that women's work, such as in the care sector, should be better valued.

# Workplace



The intention of the Financial Wellbeing and the Workplace theme is to highlight that the workplace, in all its forms, is a key delivery channel for advice on and support for financial wellbeing. In Scotland, this means recognising the composition of the labour force and the different contexts in which they work, and in doing so, delivering advice and support to employers and workers through optimum channels.

## What we heard at the roundtable

Full [briefing](#) and [report](#) here

- **The provision of advice and information by employers** when their employees began to return to work. Many would be in different financial circumstances to when lockdown began and would need information on financial wellbeing. It was felt that employers could be an ideal conduit for this. However, the awareness of financial wellbeing, and the impact of financial stress on workers, varied greatly between employers and many would benefit from an additional resource.
- **Small and medium enterprises may require additional information** in order to fully support their workers during times of transition arising from Covid-19. The Financial Foundations – Young Workforce roundtable also discussed the support that may be required by young people moving into the workplace whether that was through apprenticeships or mainstream employment.
- **That exploring alternative channels of delivering financial wellbeing** information to non-office-based occupations and sectors would be beneficial to this group. This could be done through channels such as podcasts or sector based social media groups.

# Other Roundtables

In addition to the roundtables discussed above we also hosted roundtables on Black, Asian and Minority Ethnic (BAME) communities; economic abuse; armed forces personnel and veterans and fintech.

## BAME

- Covid has had a disproportionate impact on communities already disadvantaged by structural inequalities. Many are in lower paid and/or insecure employment so may have been furloughed or laid off. High rates of self-employment and working in multiple part-time roles also leads to lower levels of financial resilience.
- More Scottish level data on BAME communities coupled with stronger relationships between mainstream advice agencies and BAME community organisations would be highly beneficial for financial wellbeing.
- Promote the Help to Save scheme across BAME communities and organisations, as well as more widely across Scotland. Due to the criteria for acceptance on to the scheme, it is apparent that there is low take-up but potentially high eligibility within these communities.

## Economic Abuse

- The crisis had brought this often little discussed subject into sharp relief. As well as the isolation caused by Covid-19, leading to many women being in lockdown with their abusers and distanced from their usual support networks, the move towards more cashless transactions is a problem when cards are withheld and/or transactions are tracked.
- Many women were reluctant to contact the police during the crisis, because removal of the perpetrator by the police may lead to a loss of income at an already difficult time, where opportunities to earn money were limited.

## Veterans and Serving Forces Personnel

- This group may have been buffered from the more negative economic impacts of Covid-19 due to the nature of their employment and some of the support networks in place.
- In the longer term the group felt that all serving personnel would benefit from better financial education throughout their forces career and that the transition to civilian life was a crucial financial life event and a potential “teachable moment”.

## FinTech

- FinTechs could unlock some of the insights available from different data sources and that these organisations are well placed to encourage innovation within the financial wellbeing space.
- Technology is already available that could assist with this, such as open banking and interpretation of data. This could provide a deeper understanding of the issues facing many people with regard to spending, saving and credit. In addition, there is also the potential to integrate technologies and data across all sectors to support further innovation.





# UK recommendations

The coronavirus pandemic has presented the whole of Scotland with a changed working environment and a range of physical, mental and financial impacts to consider. There is little doubt that the current economic forecast will have sizable impact on some of the measures that we will be able to put in place during the initial years of the Scotland Delivery Plan for the UK Strategy for Financial Wellbeing.

When the Covid-19 crisis emerged in the UK, MaPS decided that a rebuild response was required as part of an effort to explore what could be done to restore financial wellbeing before the end of 2021. **This is a separate piece of work facilitated by MaPS but undertaken by independent chairs and each respective UK Challenge Group.** All of the recommendations contained in the UK rebuild response are the process of many months of work within each UK Challenge Group and have been collectively agreed by the chairs.

While many of the recommendations within the UK rebuild response are relevant to Scotland, **it is important to note that this is not a MaPS document and is dependent on policy change and delivery that is in the gift of many external stakeholders/partners/governments departments.**

MaPS will share the recommendations with the relevant government departments to consider. Alongside this MaPS will undertake a review process to consider how MaPS should respond or contribute to the recommendations made and overall agendas for change.

As the UK rebuild response recommendations are implemented through 2020/21, MaPS will build on relevant progress on these and our nation specific recommendations within the short-term elements of the Delivery Plan.



Ndidi Okezie OBE



Eric Leenders

Marlene Shiels  
OBE

Ben Page

Sacha  
Romanovitch OBE

Emma Douglas

Professor Dame  
Carol Black

Jackie Leiper



Paul Farmer CBE

Lesley Titcomb  
CBE

# Building the UK's financial wellbeing in the light of Covid-19

In January 2020, the Money and Pensions Service asked us to become independent 'Challenge Chairs', bringing together 145 of the most experienced minds, to develop delivery proposals for the five national goals of the UK Strategy for Financial Wellbeing. This work will complete this December.

**We have published an interim, independent report containing 13 urgent recommendations to address the financial wellbeing impact of the Covid crisis, now and into 2021.**

**They respond to four key themes we have identified from our analysis of the crisis.**

## Moments that matter

People are often forced into thinking again about money at transitional moments in their lives. And Covid-19 is putting extra pressures — physical, financial, or emotional — on everyone in the UK. We identify 'moments that matter' that we think can make a difference.

## Credit and debt

Credit has been an important buffer to help people through difficult circumstances during the Covid crisis. Unfortunately, over-indebtedness will be a consequence for many, especially when people lose their jobs.

## Summary of a report from the Independent Challenge Chairs for the UK Strategy for Financial Wellbeing

## Vulnerable circumstances

Covid-19 has amplified the circumstances that were already causing vulnerability for millions of people. Autumn 2020 is an important moment for financial services firms, and others, to take stock of how they have responded to the crisis.

## Recommendations for government

Governments across the UK have done extraordinary and impactful things to respond to the financial shocks of the Covid crisis. We identified three valuable areas of action by the UK Government that we think should be continued, expanded, or accelerated.

# Our 13 recommendations

## Moments that matter

People are often forced into thinking again about money at transitional moments in their lives. And Covid-19 is putting extra pressures — physical, financial, or emotional — on everyone in the UK. We identify 'moments that matter' that we think can make a difference.

### Recommendation 1

MaPS should run a three-phased programme of awareness raising, coordinating messaging and partners through an agile approach, to reach: people at risk of over-committing to high-cost credit; young people in financial difficulty finding it harder to transition to employment/further education; and people at risk of redundancy.

### Recommendation 2

An 'Essential Financial Skills' training programme should be co-designed by MaPS, with young people, and embedded in all government backed programmes for 16- to 24-year-olds that lead to jobs and careers.

### Recommendation 3

MaPS should develop parent/child conversation support tools to help families facing the combined challenges of money and mental health problems, drawing upon proven 'Talk, Learn, Do' techniques previously piloted by MaPS.

### Recommendation 4

MaPS should create a later-life checklist for people over 50 who have been affected by the Covid crisis, especially people at risk of redundancy.

## Vulnerable circumstances

Covid-19 has amplified the circumstances that were already causing vulnerability for millions of people. Autumn 2020 is an important moment for financial services firms, and others, to take stock of how they have responded to the crisis.

### Recommendation 5

The Financial Conduct Authority (FCA) should explicitly require all firms to embed vulnerability strategies that reflect the ways that Covid-19 has deepened existing vulnerabilities, and placed new people in vulnerable circumstances. Firms should implement strategies from early 2021.

### Recommendation 6

The National Academy for Social Prescribing, Mental Health UK and MaPS should make their new money support resource rapidly available through NHS social prescribing link workers in England by the end of 2020.

### Recommendation 7

Surviving Economic Abuse should lead a pilot of the Economic Abuse Evidence Form for creditors and credit reference agencies by Summer 2021 (for full roll-out in Autumn 2021). It would need additional funding. This should come from creditor and credit reference firms.

## Credit and debt

Credit has been an important buffer to help people through difficult circumstances during the Covid crisis. Unfortunately, over-indebtedness will be a consequence for many, especially when people lose their jobs.

### Recommendation 8

FCA guidance requires firms to support people coming out of Covid-19 payment deferrals with increased overdraft or credit card commitments. We urge firms as a default to offer repayment plans and to waive interest for people who are in serious difficulty.

### Recommendation 9

MaPS should carry out two reviews to help the debt advice sector address an expected rise in demand. MaPS and Money and Mental Health Policy Institute should promote accessible debt and credit services for people with mental health problems.

### Recommendation 10

Fair4All Finance, Toynbee Hall and Fair by Design — with HM Treasury's support, and building on the findings from the feasibility study undertaken by London Economics — should progress the design and pilot of a no-interest loans scheme targeted at those most in need.

## Recommendations for government

Governments across the UK have done extraordinary and impactful things to respond to the financial shocks of the Covid crisis. We identified three valuable areas of action by the UK Government that we think should be continued, expanded, or accelerated.

### Recommendation 11

DWP should maintain and extend relief measures put in place to help people who rely on welfare benefits and whose finances have been made worse by Covid-19. It could go further, and make the consent system for Universal Credit consistent with the system for legacy benefits.

### Recommendation 12

HM Treasury and HMRC should further build upon their efforts to publicise 'Help to Save'. They should now review their communications plans and specifically target anyone newly eligible because of the Covid crisis.

### Recommendation 13

DWP should retain the changes to Statutory Sick Pay rules that have been introduced to deal with the Covid crisis. It could go further, by introducing reforms to Statutory Sick Pay that would make it a stronger source of financial support for everyone, not just people with Covid.



# MaPS response

MaPS welcomes the work of the independent Chairs, supported by their 'Challenge Group' members, on the 'Building financial wellbeing in the light of Covid-19' report. As sector-leaders from multiple areas pertaining to financial wellbeing, MaPS has paid full attention to each of the 13 recommendations produced by the Chairs and published its response to the report here. Please find a summary of MaPS' response below:

| Recommendation   | Alignment to the UK Strategy for Financial Wellbeing  | Target Group   | MaPS response   | Detail of how MaPS will deliver  |
|--|---|--|---|--|
| <b>1. MaPS should run a three-phased programme of awareness raising, coordinating messaging and partners through an agile approach, to reach: people at risk of over-committing to high cost credit; young people in financial difficulty finding it harder to transition to employment/further education; and people at risk of redundancy.</b> | This recommendation is broadly aligned to all agendas for change within the UK Strategy.              | Three target groups: people at risk of over-committing to highcost credit; young people in financial difficulty finding it harder to transition to employment/further education; and people at risk of redundancy. | This recommendation targets audiences who have been particularly impacted by the Covid-19 pandemic. MaPS believes this recommendation has significant merit in terms of signposting those groups who may be particularly impacted/vulnerable towards existing expert guidance and support services, including those provided by MaPS, its partners and many members of the Challenge Groups and wider sector. | MaPS will refocus current campaigning activity to target the audiences highlighted by the independent Chairs (e.g. during Talk Money Week). MaPS will continue to work with employers and agencies across the UK to support people at risk of/in redundancy, and consider how it can coordinate with partners a larger co-funded awareness raising effort in 2021/22 once budgets are known and secured. |
| <b>2. An 'Essential Financial Skills' training programme should be co-designed by MaPS, with young people, and embedded in all government backed programmes for 16- to 24-year-olds that lead to jobs and careers.</b>   | This recommendation aligns with the 'Financial Foundations' agenda for change within the UK Strategy. | Young people aged 16 – 24 who are enrolled in a government backed programmes (e.g. apprenticeships) to improve their financial wellbeing as they enter into work post Covid-19.                                    | MaPS believes that this recommendation aligns strongly with our statutory remit of promoting financial education and that it should take the lead and coordinate its delivery.  | MaPS will build on the 'youth checkpoints' programme and the NESTA 'rapid recovery challenge fund' as existing programmes that support delivery in this area. Additionally, MaPS will explore options for delivery channels for this recommendation including closer partnership working with FE colleges and targeting pilots with large employers in the UK.   |

## Table key

|  |   |   |
|--|---|---|
| <span style="background-color: #d9d9d9; border: 1px solid #000; display: inline-block; width: 15px; height: 10px;"></span> Recommendation for MaPS | <span style="background-color: #a6c9ec; border: 1px solid #000; display: inline-block; width: 15px; height: 10px;"></span> Recommendations for others but supported by MaPS | <span style="background-color: #c6e0b4; border: 1px solid #000; display: inline-block; width: 15px; height: 10px;"></span> Recommendations outside of MaPS' remit |
|--|---|---|

| Recommendation   | Alignment to the UK Strategy for Financial Wellbeing  | Target Group  | MaPS response   | Detail of how MaPS will deliver  |
|--|---|---|---|--|
| <b>3. MaPS should develop parent/child conversation support tools to help families facing the combined challenges of money and mental health problems, drawing upon proven 'Talk, Learn, Do' techniques previously piloted by MaPS.</b>  | This recommendation aligns with the 'Financial Foundations' agenda for change within the UK Strategy. | Families facing the combined challenges of money and mental health problems who wish to have conversations about money. at home, particularly in the light of Covid-19. | MaPS support the principles behind this recommendation from the independent Chairs. However, MaPS believes that without further evaluation of evidence from current pathfinder projects and 'Talk, Learn, Do' interventions, it is not best placed to deliver this intervention at this time. | MaPS commits to share and build on the evaluation data from existing pathfinder projects in Scotland, Wales, and Northern Ireland.<br><br>As 'Talk, Learn, Do' is more firmly embedded across the UK, MaPS will be mindful of how future rollout can help households where money and mental health problems are present. |
| <b>4. MaPS should create a later-life checklist for people over 50 who have been affected by the Covid crisis, especially people at risk of redundancy</b>   | This recommendation aligns with the 'Future Focus' agenda for change within the Strategy.             | People over 50 who have been affected by the Covid-19 crisis, especially people at risk of redundancy.  | MaPS welcomes this recommendation as immediate support for people in their 50's impacted by Covid-19 in terms of their finances, work/career and overall wellbeing. MaPS believes this recommendation is already partially addressed through the existing 'Mid-life MOT'.                     | As part of ongoing work on a 'Mid-life' MOT, MaPS will bring relevant content together as a 'later-life checklist' digital resource. In 2021/22, MaPS will explore appropriate channels for distributing this resource and enabling people over 50 to plan for later life amidst the Covid-19 crisis.                    |
| <b>5. The Financial Conduct Authority (FCA) should explicitly require all firms to embed vulnerability strategies that reflect the ways that Covid-19 has deepened existing vulnerabilities, and placed new people in vulnerable circumstances. Firms should implement strategies from early 2021.</b> | This recommendation aligns to the 'Credit Counts' agenda for change in the UK Strategy.               | Covid-19 has deepened existing vulnerabilities and placed new people in vulnerable circumstances. Firms should implement strategies from early 2021.                    | MaPS agrees that consideration of people's vulnerabilities in how the sector responds to Covid-19 is important.   | MaPS will continue to engage in a constructive dialogue with the FCA on vulnerability strategies and to support the FCA to guide financial services firms to develop products that are mindful of Covid-19 vulnerability.  |
| <b>6. The National Academy for Social Prescribing, Mental Health UK and MaPS should make their new money support resource rapidly available through NHS social prescribing link workers in England by the end of 2020.</b>   | This recommendation is aligned to all agendas for change within the UK Strategy.                      | People who are referred into social prescribing services in NHS primary care and who have a mix of money worries and mental health problems.                            | MaPS recognises and supports the opportunities that exist within locally designed and delivered social prescribing services to provide financial wellbeing support and guidance to those who may need it as a result of the Covid-19 crisis.  | MaPS have co-developed the resource in conjunction with Mental Health UK and the National Academy and it was made available from October 2020 due to the urgency of the situation.   |

| Recommendation   | Alignment to the UK Strategy for Financial Wellbeing  | Target Group  | MaPS response   | Detail of how MaPS will deliver  |
|--|---|---|---|--|
| <b>7. Surviving Economic Abuse should lead a pilot of the Economic Abuse Evidence Form for creditors and credit reference agencies by Summer 2021 (for full roll-out in Autumn 2021). It would need additional funding. This should come from creditor and credit reference firms.</b> | This recommendation is aligned to the 'Credit Counts' and 'Better Debt Advice' agendas for change in the UK Strategy. | People (predominantly women) who have suffered a double impact from Covid-19 and financial control as part of economic abuse. | MaPS welcome this recommendation from the independent Chairs on supporting those who may be suffering from economic abuse amidst the Covid-19 crisis.   | MaPS will support Surviving Economic Abuse to deliver a pilot of the Economic Abuse Evidence Form in England by Summer 2021. Additionally, MaPS will explore opportunities to continue to support rollout by funding a phase of the project in 2021/22.  |
| <b>8. FCA guidance requires firms to support people coming out of Covid-19 payment deferrals with increased overdraft or credit card commitments. We urge firms as a default to offer repayment plans and to waive interest for people who are in serious difficulty.</b>              | This recommendation is aligned to the 'Credit Counts' agenda for change in the UK Strategy.                           | Those people who will be faced with financial wellbeing challenges exiting Covid-19 payment deferrals in the UK.              | MaPS agrees with the independent Chairs in recognising the potentially difficult situation for people coming out of Covid-19 payment deferrals.   | MaPS will support this recommendation by continuing to make the case for those who may encounter financial difficulty when leaving Covid-19 payment deferral processes. MaPS will also signpost to the 'Money Navigator Tool', designed to help people manage their finances in the light of Covid-19. |
| <b>9a. MaPS should carry out two reviews to help the debt advice sector address an expected rise in demand.</b>  | This recommendation is aligned to the 'Better Debt Advice' agenda for change.   | People who will require debt advice in the context of the Coronavirus pandemic.   | MaPS welcomes and supports this recommendation from the independent Chairs. MaPS will work to deliver the debt reviews within its responsibility.   | MaPS will undertake a rapid review of lockdown and social distancing and the demand for debt advice.<br><br>MaPS will complete a review of customers who are less well served by debt advice to be commenced in 2021/22.   |
| <b>9b. MaPS and Money &amp; Mental Health Policy Institute should promote accessible debt and credit services for people with mental health problems.</b>  | This recommendation is aligned to the 'Credit Counts' agenda for change.  | MaPS agrees that consideration of people's vulnerabilities in how the sector responds to Covid-19 is important.               | MaPS will continue to engage in a constructive dialogue with the FCA on vulnerability strategies and to support the FCA to guide financial services firms to develop products that are mindful of Covid-19 vulnerability. | MaPS commits to share and build on the evaluation data from existing pathfinder projects in Scotland, Wales, and Northern Ireland.<br><br>MaPS will work with MMHPI to develop accessible standards for creditors.   |



| Recommendation   | Alignment to the UK Strategy for Financial Wellbeing   | Target Group   | MaPS response  | Detail of how MaPS will deliver   |
|--|--|--|--|---|
| <b>10. Fair4All Finance, Toynbee Hall and Fair by Design – with HM Treasury's support, and building on the findings from the feasibility study undertaken by London Economics – should progress the design and pilot of a no-interest loans scheme targeted at those most in need.</b>       | This recommendation is aligned to the 'Credit Counts' agenda for change within the UK Strategy.    | Covid-19 has left many people with reduced incomes. They may be more reliant on Universal Credit. And they may be unable to access affordable credit because of a contraction in lending. Women, lone parents, and those on low incomes have been particularly affected. | MaPS looks forward to seeing the outcomes from Fair4All Finance, Toynbee Hall and Fair by Design's work on the pilot.  | MaPS will consider how it can support further work, aligned with our 'Credit Counts' agenda for change.                         |
| <b>11. DWP should maintain and extend relief measures put in place to help people who rely on welfare benefits and whose finances have been made worse by Covid-19. It could go further and make the consent system for Universal Credit consistent with the system for legacy benefits.</b> | N/A  | N/A  | This recommendation is beyond the scope of MaPS and is for consideration by DWP.   | MaPS will share this recommendation with its sponsor department, the Department for Work and Pensions.                          |
| <b>12. HM Treasury and HMRC should further build upon their efforts to publicise 'Help to Save'. They should now review their communications plans and specifically target anyone newly eligible because of the Covid crisis.</b>  | This recommendation is aligned to the 'Nation of Savers' agenda for change within the UK Strategy. | People who do not know the Government will boost any savings they put into 'Help to Save' accounts.  | MaPS welcomes this recommendation from the independent Chairs. MaPS research indicates that incentivised saving products work well in attracting savers and having financial incentives to save, such as 'Help to Save', help form savings habits. | MaPS works closely with HMT and HMRC on the promotion of 'Help to Save' and will continue to engage constructively during 2021. |
| <b>13. DWP should retain the changes to Statutory Sick Pay (SSP) rules that have been introduced to deal with the Covid crisis. It could go further, by introducing reforms to SSP that would make it a stronger source of financial support for everyone, not just people with Covid.</b>   | N/A  | N/A  | This recommendation is beyond the scope of MaPS and is for consideration by DWP.   | MaPS will share this recommendation with its sponsor department, the Department for Work and Pensions.                          |

# How will the recommendations be actioned in Scotland where relevant?

MaPS along with an Advisory Group will be the co-ordinator for the Covid-19 response recommendations in Scotland and will work in close consultation with partners, including Scottish Government to deliver both the short-term proposals and the longer-term UK Strategy for Financial Wellbeing.

## Scotland specific recommendations

### Supporting Children and Young People

**"Money and Me"** digital platform (co-created with young people) could be developed further to be the accessible 'window' that guides young people to effective money information and support as they transition to and are in financial independence. The window will be backed up with co-created awareness and communications campaign which promotes the resources on offer. Together, this provides a roadmap to accessing effective money guidance for young people transitioning to employment and higher education. This could be led by MaPS, Young Scot and College Development Network in partnership with Scottish Government.

A commitment to increase financial capability and to improve existing resources and/or the development of a **financial education package aimed at care experienced children and young people** and their carers. This should have a particular focus on household budgeting and debt management as debt is an area of concern for this cohort of young people when living independently. This could be led by MaPS, Young Scot and STAF in partnership with the Scottish Government.

MaPS will work with Scottish Government and other key stakeholders to raise awareness of the Child Trust Fund in Scotland. An initial collaboration will focus on utilising 'Talk Money Week' which has just taken place.

### *In addition, the following work is in progress:*

As the UK Strategy for Financial Wellbeing seeks to help children and young people receive meaningful financial education, the importance of parents in their children's financial capability development has been repeatedly highlighted. MaPS are currently funding a pathfinder programme in Scotland, based on Talk, Learn, Do (TLD), which is a 2-hour parenting intervention intended to encourage parents of 3-11 year olds to talk to their children about money and create opportunities for their children to experience managing money.

MaPS have developed financial education guidance for both primary and secondary schools which is being published in November.

MaPS and Martin Lewis (Money Saving Expert) are co-funding Young Enterprise to develop a textbook to support teachers in Scotland to deliver financial education to secondary school students. This will be distributed to all secondary schools in Scotland in early 2021 led by Young Enterprise Scotland.



## Supporting Working Age People

A coordinated approach between MaPS and Scottish stakeholders to support a campaign by HMRC on “**Help to Save**” and disseminate the information through their networks to increase uptake.

It would be helpful if MaPS could explore plans to develop an affordable credit locator tool that provides details of Credit Unions, CDFIs and other relevant sources of affordable credit across the UK, providing access/membership/eligibility details (common bond and/or other).

There is an opportunity for MaPS to build on existing relationships with the Scottish Government, mental health specialists and Public Health Scotland to frame the appropriate recommendation with the **National Academy for Social Prescribing and Rethink Mental Illness**. Possible creation of a new resource to be made available through NHS social prescribing link workers in England, which also offers the prospect to explore if it could be replicated in the short-term in Scotland.

MaPS could work with Scottish Government and the affordable credit sector to raise awareness of the availability of affordable credit.

## Supporting Older People

Building on the recommendation MaPS should create a later-life checklist for people over 50 who have been affected by the COVID-19 crisis, especially people at the risk of redundancy. MaPS should work with Business in the Community in Scotland to understand their Mid Life MOT and build on existing learning.





# Conclusion and next steps

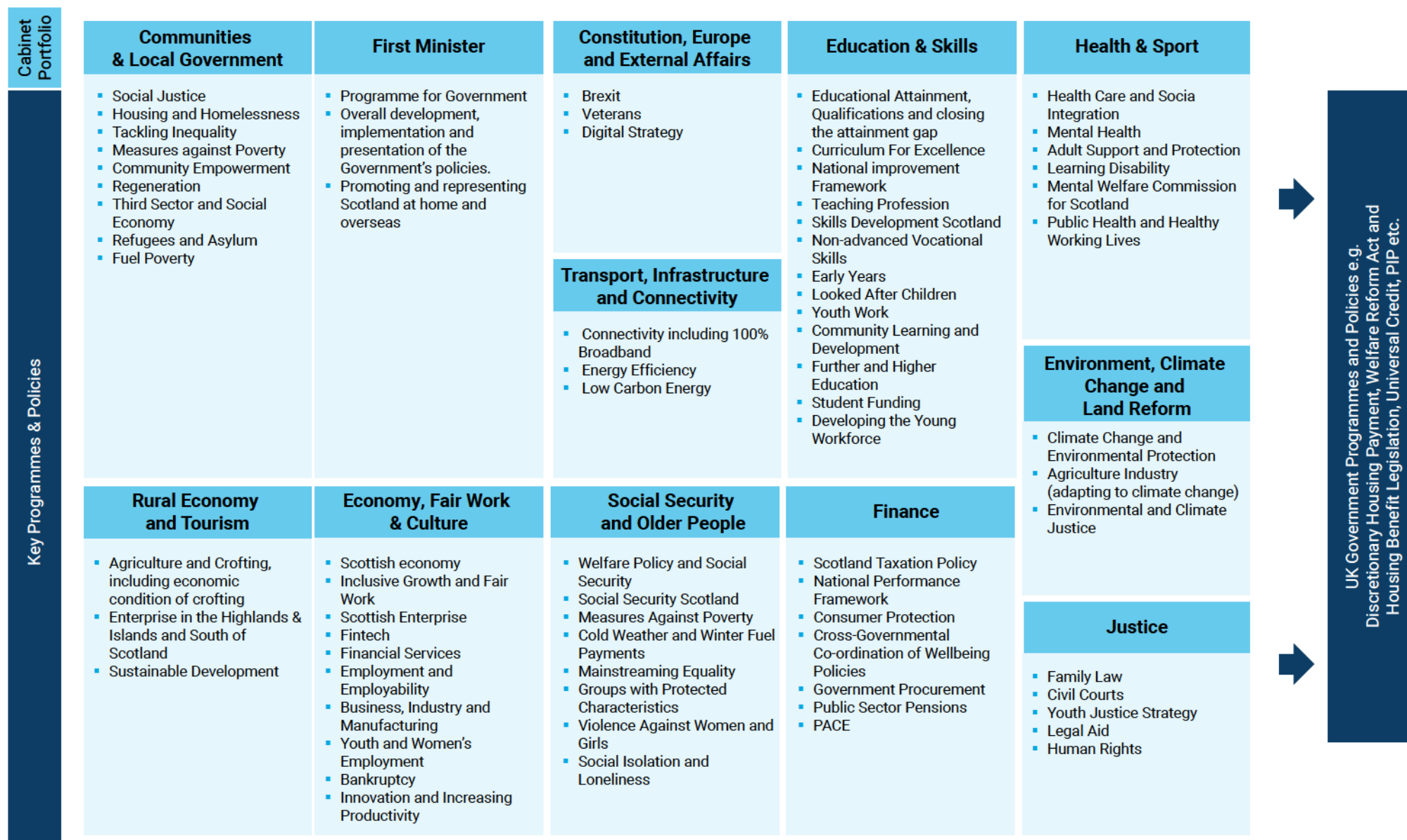
The Covid-19 recommendations should be delivered by the close of 2021. Those that are relevant to Scotland will form the short-term recommendations within the Scotland delivery plan.

The work on the medium to long term recommendations is already underway. The MaPS Advisory Group will complete a Theory of Change for the outcomes needed for the Scotland delivery plan of the UK Strategy for Financial Wellbeing. This will help to guide the next round of virtual round tables in Scotland which are already underway.

## Appendix

### Financial Wellbeing contributes to the outcomes of the following Scottish Government Strategy and Policy 2020

Cross Cutting Strategies – Programme for Government; National Performance Framework; Fairer Scotland.



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