

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

MaPS response document



Money &
Pensions
Service

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**Money &
Pensions
Service**

1. Foreword

Since its creation within the Financial Guidance and Claims Act 2018, the Money and Pensions Service (MaPS) has been working towards a vision of a society where everyone makes the most of their money and pensions. The ability to manage money is central to people's health and wellbeing; it impacts their ability to fulfil their potential, and to care for their families. A population that can manage their money and pensions well is vital for our economy and for society as a whole.

In January 2020 we published our UK Strategy for Financial Wellbeing¹, a month before the Covid-19 crisis really started to take hold. It is based on five 'agendas for change', from childhood to later life, and is designed to bring tangible changes for people's finances across the whole of the UK.

We remain focused on this long-term aspiration to bring about a fundamental improvement to the financial wellbeing of people in the UK. MaPS want to emphasise that we will play our part in working with you – and all our partners and stakeholders – to address the huge challenges we now face.

When the Covid-19 crisis materialised in February, we at MaPS recognised that it signalled a fundamental shift in terms of both the trajectory of the UK Strategy for Financial Wellbeing and the overall financial health of many individuals and families across the UK.

Covid-19 is a health emergency which will have a long-lasting impact on the finances of many - it continues to impact some sections of the population more harshly than others, including low-income workers, Black, Asian and Minority Ethnic (BAME)² communities, younger people, and women. We are at a pivotal moment in our journey.

It is for this reason that the MaPS Board decided that a shorter-term Covid rebuild response was required before we progressed on delivering our 10-year vision for financial wellbeing in the UK. It was true also that a response to building financial wellbeing in light of Covid-19 could not be limited in terms of scope or focus – it needed to be an independent appraisal of what was required from us all to react to the coronavirus pandemic and its potential impact on future financial wellbeing.

To support the delivery of the UK Strategy for Financial Wellbeing, MaPS had already brought together independent 'Challenge Groups' to examine numerous elements of the Strategy and the cross-cutting lenses that would inform it. These groups are made up of 145 leaders and specialists from a wide variety of organisations across the public, private and voluntary sectors. Each group has a Chair, that we consider to be a sector-leader, and we have tasked them with creating bold and innovative proposals to address financial wellbeing issues from across the whole of the UK over the next decade.

The MaPS Board requested that the 'Challenge Group' Chairs, as independent experts across multiple barometers of financial wellbeing, should write a report on 'Building the UK's financial wellbeing in the light of Covid-19'. MaPS helped the Chairs by facilitating their work on the report, but all recommendations within are independent of MaPS and require the support of us all to deliver.

MaPS welcome the efforts and commitment to financial wellbeing of the independent Chairs. We wish to thank them for taking up the mantle to produce 13 independent recommendations; ranging from preparing our younger people to be more financially resilient to protecting those who may be financially vulnerable in the period after Covid-19. The Chairs were heavily supported by the members of the 'Challenge Groups' from across all of the UK and by a series of additional engagements with wider stakeholders in Northern Ireland, Scotland and Wales.

This document is a response to those recommendations across all four nations of the UK, particularly those that have been pointed directly at MaPS. Where other recommendations have been directed at our partners and stakeholders, we hope that the independent Chairs' report can be a catalyst for a cumulative effort to rebuild financial wellbeing in the light of Covid-19.

An effort of this sort would be a solid precursor to the long-term vision of MaPS to develop a collective movement behind the financial wellbeing agenda and build a strong foundation for the delivery of the UK Strategy for Financial Wellbeing.

¹ <https://www.moneyandpensionservice.org.uk/uk-strategy-for-financial-wellbeing/>

2. Introduction

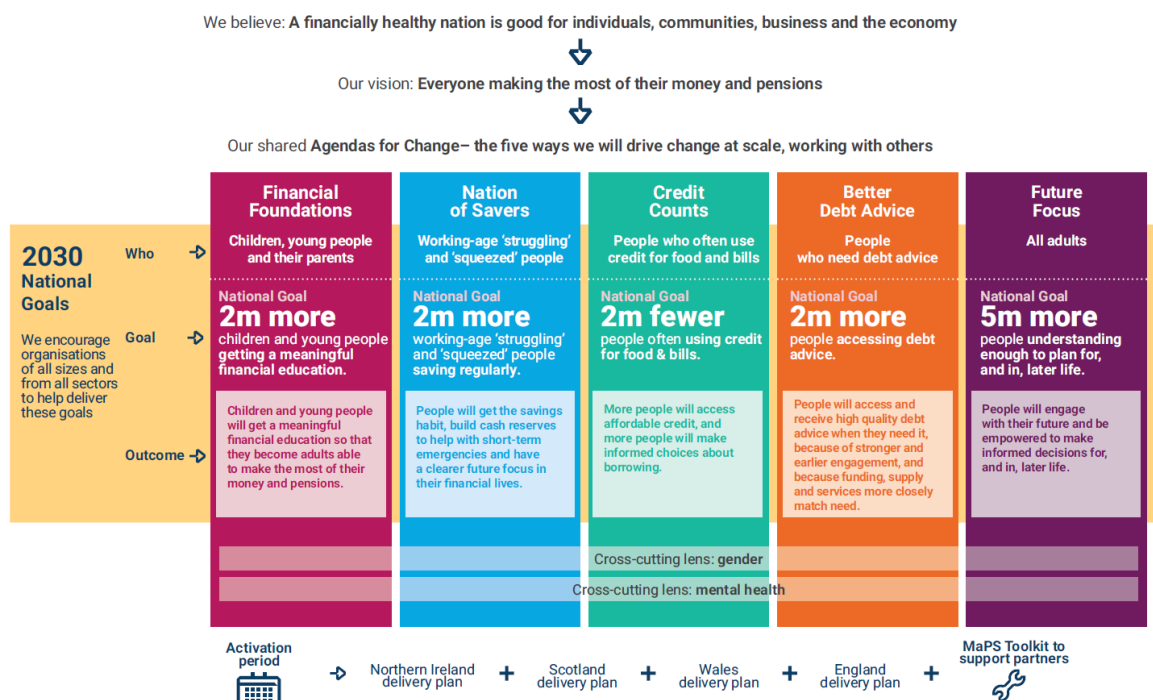
MaPS' role is to transform financial wellbeing in the UK, ensuring every person feels more in control of their finances throughout their lives: from pocket money to pensions. We know that when they are, communities are healthier, businesses are more prosperous, the economy benefits, and individuals feel better off. Covid-19 has made this more important than ever as we all deal with its impact.

MaPS launched the UK Strategy for Financial Wellbeing in January 2020. The Strategy sets out the goals that it believes all organisations should work on between 2020 and 2030 and is a real, concerted attempt to improve the financial wellbeing of people throughout the UK. It has a focus on five '**agendas for change**' and will be measured by agreed goals for England, Northern Ireland, Scotland and Wales.

The '**agendas for change**' are a culmination of what MaPS has learned from its predecessor bodies and through research and programme delivery – to focus attention and funding on areas that provide the best opportunities to deliver lasting, impactful change.

This Strategy is designed to be the infrastructure in which MaPS can work with partners to bring those tangible changes for people's finances and overall financial wellbeing. MaPS is fully committed to act as the catalyst for delivering the UK Strategy and wants to work with all partners to put in place delivery plans that ensure everyone in the UK can make the most of their money and pensions.

The UK Strategy for Financial Wellbeing on a page



The "Strategy on a Page" published by MaPS in January has been the framework for our Challenge Groups' work, setting five agendas for change, cross-cutting themes, and National Goals.

Full details on the Strategy can be found here : <https://moneyandpensionsservice.org.uk/uk-strategy-for-financial-wellbeing/>

A Challenging Starting Point

As MaPS, we have been acutely aware that significant financial wellbeing challenges have meant that not everyone in the UK was in a position to make the most of their money and pensions - Covid-19 has created additional problems for many.

In addition to the 13 recommendations within their report, the independent Chairs have published their emerging thinking on the strategic themes that will be central to delivering on a 10-year vision for financial wellbeing and cultivating a financial wellbeing movement in the UK. MaPS recognises each theme raised, ranging from vulnerability, to evidence and innovation and even to delivery channels, as core components of a broader range of work. MaPS will build on these workstreams over and above the contents of this response document and publish details within delivery plans for the UK Strategy for Financial Wellbeing in spring 2021.

MaPS fully supports the commitment from the independent Chairs' to include the perspective of BAME² communities, especially those most impacted by the Covid-19 crisis, within their work to develop mid- to long-term delivery proposals for the UK Strategy. The impact of Covid-19 has demonstrated that BAME populations may face greater financial wellbeing challenges than their peers³. The New Economics Foundation found that of the 1.6 million people at very high risk of both losing work and missing out on government schemes, BAME workers were significantly more likely to be in this category compared to white workers⁴.

MaPS will support the independent Chairs to adopt 'inclusive by design' principles in developing delivery proposals for the UK Strategy for Financial Wellbeing, informing future delivery plans for the Strategy. MaPS agrees with the Chairs that this will benefit people from BAME communities and others, including people in vulnerable circumstances, who may have been previously excluded from service design.

Responding to Crisis

When the Covid-19 crisis gripped the UK, MaPS was acutely aware that there would be a significant and adverse impact on financial wellbeing. It became clear that a pivot of the existing programme of work for the Challenge Groups was required.

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. As well as publishing this response document, MaPS will consider each programme of work with greater detail as the MaPS 2021/22 Corporate Plan is developed.

A Four-Nation Response

To ensure that MaPS fully understood the financial wellbeing impact of Covid-19 across all of the UK, parallel processes of engagement were undertaken in Northern Ireland, Scotland and Wales by way of virtual roundtables on each 'agenda for change' and a number of cross-cutting lenses and associated areas. Representatives from Northern Ireland, Scotland and Wales have been active participants in both the UK-wide and devolved level engagement. For that, MaPS would like to make a special note of thanks to these partners for their valuable input and time given to this process.

Over 200 organisations were engaged with during the virtual roundtables and a number of extra considerations and specific actions were developed in conjunction with local stakeholders, partners, and governments. As well as the contents of this document, full details of all engagement within Northern Ireland, Scotland and Wales can be found here, within extensive 'story so far' documents charting local responses to Covid-19.

² MaPS acknowledges that the term BAME risks over-simplifying the experiences within and between all ethnic minority communities in the UK.

³ Citizen's Advice, *Citizens Advice reveals nearly 1.4m have no access to welfare safety net*, June 2020

⁴ <https://neweconomics.org/2020/06/why-tackling-insecure-work-is-an-important-part-of-any-meaningful-recovery-from-crisis>

3. Executive Summary

TABLE KEY

	Recommendation for MaPS
	Recommendations for others but supported by MaPS
	Recommendations outside of MaPS' remit

Recommendation	Alignment to the UK Strategy for Financial Wellbeing	Target Group	MaPS response	Detail of how MaPS will deliver
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.	This recommendation is broadly aligned to all agendas for change within the UK Strategy.	Three target groups: 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.	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.
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.	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.

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.	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. 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.
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.	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.
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.	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.
6. The National Academy for Social Prescribing, Mental Health UK and MaPS should make their new money support resource rapidly	This recommendation is aligned to all agendas for change	People who are referred into social prescribing services in NHS primary care and who have a mix	MaPS recognises and supports the opportunities that exist within locally designed and delivered social prescribing services to provide financial wellbeing	MaPS have co-developed the resource in conjunction with Mental Health UK and the National Academy and it was made available from

available through NHS social prescribing link workers in England by the end of 2020.	within the UK Strategy.	of money worries and mental health problems.	support and guidance to those who may need it as a result of the Covid-19 crisis.	October 2020 due to the urgency of the situation.
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.	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.
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.	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 people may face when coming out of Covid-19 payment deferrals.	MaPS will continue 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 and encourage consumers to speak to their lenders directly to agree tailored support
9a. MaPS should carry out two reviews to help the debt advice sector address an expected rise in demand.	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. MaPS will complete a review of customers who are less well served

				by debt advice to be commenced in 2021/22.
9b. MaPS and Money & Mental Health Policy Institute should promote accessible debt and credit services for people with mental health problems.	This recommendation is aligned to the 'Credit Counts' agenda for change.	People who need support to manage their credit commitments, including people whose mental health has been impacted.	MaPS supports this recommendation and will work to support MMHPI to deliver it.	MaPs will work with MMHPI to further develop accessible debt services based on MMHPI research. MaPS will work with MMHPI to develop accessible standards for creditors.
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.	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.
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.	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.
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.	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.

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.	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.
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4. MaPS' Organisational Response to Covid-19

As well as facilitating the independent Chairs to create their recommendations on '*Building financial wellbeing in the light of Covid-19*', MaPS recognised early the need to provide agile and responsive guidance to support customers after the onset of the coronavirus pandemic.

Millions of people across the UK continue to be concerned about the impact of Covid-19 on their finances. However, certain groups of people are particularly at risk of seeing their financial wellbeing decline⁵:

- **Low income workers** are seven times more likely as high earners to work in often shut-down sectors, and these workers are 25% more likely than average to have no savings⁶.
- **Younger people aged under 25** are two and half times more likely than workers over 25 to work in shut-down sectors and are two to three times more likely to have used a credit card or a loan than the average.
- **Women in employment** are around a third more likely than men to work in a shut-down sector.
- **Ethnic minorities are more likely to be impacted**, e.g. black African and black Caribbean men are both 50% more likely to work in shut-down sectors, and Pakistani men are over 70% more likely to be self-employed.
- **Parents with dependent children** are twice as likely as those without children to feel they will struggle to make ends meet in the current situation.
- **Renters (private and social)** make up 64% of the 3.1 million in serious financial difficulty yet make up 36% of households in England.
- **Self-employed, temporary, and variable hours workers** are more likely (66-75%) than permanent, salaried employees (26%) to work and earn less.

As the crisis deepens and continues to impact upon the financial wellbeing of all in the UK, MaPS will continue to support people to make the most of their money and pensions.

How did MaPS adapt to the Covid-19 crisis?

From the onset of the Covid-19 crisis, MaPS established an internal Covid-19 operational group to mobilise specialists across the organisation and provide the most effective organisational response. MaPS reacted to the immediate needs of customers through its money and pensions guidance helplines and websites, updating guidance on a daily basis to reflect swiftly changing policy on access to financial support and benefits from both government and creditors. MaPS' crisis response also involved maintaining capacity within the debt advice sector and our delivery partners in replacing face-to-face appointments with online and telephone-only services.

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

⁵ Institute for Fiscal Studies, *Briefing Note*, April 2020

- 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 – viewed more than 1 million times⁷;
- **worked with HMT and DWP to secure an additional £37.8 million support package** to maintain and increase delivery of debt advice in England. Additional monies were also obtained for Northern Ireland, Scotland, and Wales to be allocated according to devolved government policy priorities using existing debt allocation formulae⁸;
- set up **new Facebook groups** (Coronavirus and your money and debt advice) moderated by guidance specialists, with over 10,000 active participants⁹;
- 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;
- **trained and re-focused pensions guidance specialists** to provide holistic support for customers with queries about their money, helping manage the fluctuating demand across our services and ensure operational resilience as customer needs continue to evolve;
- **re-deployed various colleagues to support frontline activities**, such as to develop new guidance and training in response to government policy changes, and to analyse changing consumer needs to predict future demand spikes; and
- **developed specialist pensions guidance** in response to the emerging scams and risks to pensions savings as the Crisis developed.

Alongside government, the Financial Conduct Authority (FCA) has had a key role to play in responding to Covid-19 as the regulator of financial services. As millions of people faced financial difficulties, the FCA introduced new guidance requiring firms to offer payment deferrals of up to six months on mortgages and other ranges of products¹⁰. MaPS worked closely with the regulator in the development of these packages of support, the associated consumer communications, and the plans for the end of payment deferrals.

The Money Navigator Tool

In June 2020, MaPS launched a new online tool to help people navigate changes to their finances and to prevent financial situations deteriorating in the future¹¹. The ‘Money Navigator Tool’ is designed to help people who have seen their finances impacted by Covid-19. This includes people dealing with complex financial situations who may find it difficult to know where to start, such as those facing redundancy or job loss, the self-employed whose work has dried up, and people who have had a temporary income drop who need help to get back on track.

In particular, the Money Navigator tool is intended to help those who have taken payment deferrals on mortgages and other products, and those who have seen an income drop as they relied on Furlough income replacement or Universal Credit, and will signpost to other organisations including:

- StepChange, National Debtline and PayPlan for debt advice and Business Debtline for business owners
- Citizens Advice and Turn2Us for help with benefits and Universal Credit
- Shelter for housing support

⁷ <https://www.moneyadvice.service.org.uk/en/hub/coronavirus-money-guidance>

⁸ <https://moneyandpensionsservice.org.uk/2020/06/09/extra-38-million-for-debt-support-in-england-in-the-wake-of-coronavirus/>

⁹ <https://www.facebook.com/groups/678203076335430/>

¹⁰ <https://www.fca.org.uk/publication/finalised-guidance/finalised-guidance-consumer-credit-coronavirus-additional-guidance-firms.pdf>

¹¹ <https://www.moneyadvice.service.org.uk/en/tools/money-navigator-tool>

Since launch in August, the **Money Navigator Tool** has:

- Been opened over 35,000 times, with 13,000 having completed it to the end;
- Held over 8.5 mins of engagement per customer;
- Prompted over 3,500 taking further actions, in particular the debt advice locator tool and mental health signposting; and
- Seen 51% of users who are male and over 40% under 34 years of age.

Working in partnership to respond to Covid-19

The coronavirus pandemic has changed working environments for everyone in the UK and presented a new range of physical, mental, and financial impacts to consider. Employers too have been dealing with uncertainty, difficult workplace restrictions, and an overall risk to employee/worker financial wellbeing. MaPS has advanced to build more meaningful relationships to offer support and guidance to organisations who find themselves in new and challenging circumstances because of Covid-19.

In Northern Ireland, Scotland and Wales, MaPS brought a wide range of employers and representative bodies together in 'virtual roundtables' to discuss the impact of Covid-19 and possible solutions. Many of the organisations around the tables were acutely aware of their responsibilities in terms of employee financial wellbeing and wanted to work in partnership with MaPS to provide greater resources and support.

MaPS has continued to reach out to partners throughout the UK to support employers in equipping their staff with tools and resources to manage their money in the light of Covid-19.

Many employers have advised MaPS that they would benefit from accessible communications to raise awareness about support and resources for their employees/workers. The MaPS Partnerships team recorded webinars highlighting all relevant delivery channels and guidance available. These 'step by step' presentations included how to navigate the 'Money Advice Service' website, the MaPS 'Coronavirus and your money' guide (containing valuable information on what Covid-19 may mean for employees/workers and their rights and entitlements) and signposting to support outlets including a dedicated helpline and newly established Facebook group.

Health and Social Care staff across the UK have been under immense pressure since the outbreak of the coronavirus pandemic in February 2020. Recognising this, MaPS connected with local Health Trusts/Boards to work in partnership to look after employee/worker financial wellbeing and provide guidance at a time of great uncertainty.

Covid-19 considerations have forced many employers to engage in consultations surrounding redundancy and may lead to difficult circumstances for employees and their families. To help, and working with DWP and other agencies and organisations, MaPS has reached out to many employers to offer free, impartial, and confidential money advice and to help develop a library of resources that can support workers and their families through difficult periods.

'Several departments within the Western Trust have already found the significance of the support Money and Pensions Service can provide them with, which has included a webinar in Quarter 3 2020 on the resources, tools and calculators that can be used with the people we work with.'

WESTERN HEALTH AND SOCIAL CARE TRUST NORTHERN IRELAND

'As part of our development we are delighted to form a collaboration with Money and Pensions Service in terms of building the knowledge and understanding of our volunteers of the Money Advice Service resources, tools and calculators to help families make the most of their money.'

HOMESTART LAKELAND

'Working with the Scotland Partnership Manager at MaPS has recently enabled us to coordinate a webinar presentation for our Partnership Action for Continuing Employment (PACE) team to raise awareness about how their money and pensions guidance can support our own work, particularly when dealing with individuals and employers facing redundancy issues.'

SKILLS DEVELOPMENT SCOTLAND

'We are pleased to work with MaPS in Wales to develop and build the financial wellbeing support we offer NHS and Social Care staff across Wales. Included in this is supporting our own staff members with regard to financial wellbeing and also promoting the services, tools, and resources of MaPS with our partners across Wales to reach up to 200,000 members of staff.'

HEALTH EDUCATION AND IMPROVEMENT WALES (HEIW)

5. Responding to the Recommendations

The 'Challenge Group' Chairs, as independent sector-leaders from across the public, private and voluntary sectors, have made 13 recommendations on building financial wellbeing in the light of Covid-19. You can read their full report [here](#)¹².

Some of the recommendations within the report have been directed at MaPS and others are for associated partners and stakeholders, including the UK Government. The report from the independent Chairs is a timely reconsideration of what will be required from us all to protect financial wellbeing in the light of Covid-19.

As the body developing and coordinating the financial wellbeing movement, MaPS has a strong interest in many of the recommendations made by the Challenge Chairs and will respond to both those directly within its power and those that require its work in partnership with other organisations. A small number of recommendations within the independent Chairs' report fall within the sole remit and direct responsibility of the Department for Work and Pensions (DWP) and other government departments. It is not appropriate for MaPS to respond to those recommendations from the independent Chairs within this document. As the body responsible for helping people make the most of their money and pensions in the UK, MaPS will continue to have a close relationship and work constructively with our government partners to respond to the Covid-19 crisis and to deliver the UK Strategy for Financial Wellbeing.

Additionally, MaPS has responded to the independent Chairs' recommendations by considering the local context within Scotland, Wales, and Northern Ireland. References to the nature of the MaPS response across all of the UK have been included in this document but for a full breakdown, please see each respective 'story so far' document, available via the below URLs:

- **Northern Ireland:** <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/11/Building-Northern-Irelands-financial-wellbeing-after-Covid-19.pdf>
- **Scotland:** <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/11/Building-Scotlands-financial-wellbeing-after-Covid-19.pdf>
- **Wales (English):** <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/11/Building-Wales-financial-wellbeing-after-Covid-19.pdf>
- **Wales (Welsh):** <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/11/Adeiladu-llesiant-ariannol-Cymru-ar-o%CC%82l-Covid-19.pdf>

Note: As MaPS wanted to respond to the independent Chairs' report in a timely manner, this document has been created at a point before the launch of the MaPS 2021/22 Corporate Plan due to be published March 2021. MaPS will further consider the Chairs' recommendations as this 2021/22 Corporate Plan is developed.

Some of the recommendations from the independent Chairs align with the UK Strategy for Financial Wellbeing and as such, MaPS will measure the impact of each recommendation within each relevant 'agenda for change'. For example, the 'Financial Foundations' agenda for change aims to provide more children and young people with a meaningful financial education, closely aligned with the independent Chair's recommendations surrounding essential financial skills and parent/child conversations.

NB. The order of the recommendations as presented in this section does not follow the sequencing used by the independent Chairs in their report. MaPS has divided its response into three categories: A) Recommendations for MaPS B) Recommendations for others but supported by MaPS C) Recommendations that fall outside of MaPS' remit.

¹² 'Building financial wellbeing in the light of Covid-19' <http://rebrand.ly/CovidRecommendations>

a) Recommendations for MaPS

A number of recommendations in the independent Chairs' report were aimed directly at MaPS – please see a response to each respective recommendation below:

1. A three-phased programme of awareness raising

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.

Linked to all agendas for change within UK Strategy for Financial Wellbeing

Target group: *Millions of people were struggling with money problems before the Covid crisis, and millions more either have seen their situation worsen — or expect it to as 2021 proceeds. Three specific groups (as listed above) can benefit from immediate guidance that is already available.*

MaPS' role

This recommendation calls on MaPS to run a three phased programme of awareness raising and coordinating messaging/partner activity before the end of 2021. MaPS agrees that targeting those audiences whose financial wellbeing has been hardest hit by Covid-19 is a priority – including those identified by the Chairs in this recommendation - and that this is best achieved through a collaborative and coordinated approach with partners across the sector.

Supporting evidence

There is mounting evidence that young people will find it more difficult to secure and retain employment, impacting on their financial wellbeing. The Institute for Public Policy Research estimate that without further government action there will be an extra 620,000 young people unemployed by the end of the year (with 380,000 new claims to benefit between April and the end of the year expected to last for six months or more)¹³. Furthermore, those from the poorest backgrounds and with the lowest qualifications are likely to be the worst affected.

Many households across the UK are struggling to pay bills and may now be at risk of over committing to high cost credit. Ipsos MORI found that 15% are using savings to pay bills¹⁴ and the according to Office for National Statistics, 21% of those who said their household finances were affected (20% of population) were struggling with bills¹⁵.

Additionally, according to StepChange, unemployment or redundancy remained the most common reason for debt, affecting 16% of new clients¹⁶.

How will MaPS deliver against this recommendation?

In terms of the target groups identified by the Chairs, the Money Navigator tool is designed to help people who have seen their finances impacted by Covid-19. This includes people dealing with complex financial situations who may find it difficult to

¹³ <https://www.ippr.org/research/publications/guaranteeing-the-right-start>

¹⁴ <https://www.ipsos.com/ipsos-mori/en-uk/financial-impact-covid-19-already-being-felt-britons-especially-younger-generations>

¹⁵ <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/personalandeconomicwellbeingintheuk/may2020>

¹⁶ <https://www.stepchange.org/Portals/0/assets/pdf/stepchange-covid19-data-report-july-2020.pdf>

know where to start, such as those facing redundancy or job loss, the self-employed whose work has dried up, and people who have had a temporary income drop who need help to get back on track.

MaPS will continue to work with employers and agencies across the UK to support people at risk of/in redundancy.

The MaPS Partnerships team works with organisations and agencies across the UK to engage with employers to support employees at risk of/in redundancy. This includes developing content and signposting to services. And MaPS will continue to develop and promote its digital and telephone services, particularly those most relevant to people affected by Covid-19.

By the end of 2020: MaPS has already refocused, planned, and budgeted communications and engagement activity for the 2020/21 financial year, including outreach by the UK-wide Partnerships team, to support the Covid-19 response and to signpost target audiences towards expert guidance and support services.

This includes Talk Money Week (9-13 November). The effect of Covid-19 has made it more important than ever to start conversations about money and Talk Money Week is an annual awareness week designed to encourage the UK to open up about money worries – from pocket money right through to pensions – and celebrate the work done by thousands of organisations to build financial wellbeing across the UK. Additionally, MaPS will use Talk Money Week as a platform to respond to the recommendation through increasing awareness of, and signposting to, the Money Navigator Tool.

By the end of March 2021: MaPS will convene communications leaders from across the Challenge Groups to explore opportunities for collaborative working and co-funded campaigns and awareness-raising activity in support of the Chair's recommendations. These ideas will be considered by MaPS as the 2021/2022 Corporate Plan is developed and budget allocations confirmed for 2021/22 financial year.

NB. All campaigns (communications and marketing) activity by an arm's-length body of government, like MaPS, is subject to central governance and oversight processes.

2. Essential financial skills training for young people

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.

Linked to 'Financial Foundations' agenda for change within UK Strategy for Financial Wellbeing

Target group: Approximately 750,000 young people will turn 16 years old in 2021. Young people are 2.5 times more likely to work in a sector hit by Covid-19, so access to jobs, job security and financial resilience will be essential in order to avoid a 'lost generation'.

MaPS' role:

This recommendation has been directed at MaPS and calls for the creation of a programme that has been co-designed with young people across the UK. MaPS recognises the need to further equip 16- to 24-year-olds with the learning required to make the most of their money and be more financially resilient. This is particularly important in the light of Covid-19.

Supporting evidence:

According to MaPS statistics only 4.8 million children and young people across the UK had reported having a meaningful financial education before the onset of the coronavirus pandemic¹⁷. MaPS accepts the importance of providing young people between the age of 16-24 with appropriate financial education so that they can become more financially resilient and ultimately, make the most of their money and pensions.

There has been a decrease in the proportion of children and young people across the UK who have received key elements of financial education at home or at school since 2016. This has fallen from 52% in 2016 to 48% in 2019, a statistically significant decline. Only 38% of children and young people recall learning about how to manage money at school, which is two percentage points less than in 2016¹⁸. This is a particularly challenging backdrop for those aged 16-24 in terms navigating the economic impacts of Covid-19.

How will MaPS deliver against this recommendation?

As MaPS develops its 2021/22 Corporate Plan it will consider ways to support delivery against this recommendation for young people across the UK. This could include building on the MaPS 'youth checkpoints' programme, noted by the independent Chairs as a co-designed and tested intervention developed by MyBnk and The Mix in conjunction with MaPS. The NESTA 'rapid recovery challenge fund' provides a further example of a pre-existing initiative supported by MaPS that is targeted at building financial resilience amongst 16-to 24-year-old 'economically-vulnerable' workers¹⁹.

MaPS believe it is too early at this point to create a new 'essential financial skills' training programme without first evaluating the opportunity to amalgamate current resources and demonstrating possible success within government-backed programmes.

As a first step in this work, MaPS would work with Education Departments across the UK review and embed existing quality assured content within government-backed training programmes. This would help to identify the strongest elements of existing resources while examining what will be required from new 'essential financial skills' training programmes. Also, MaPS will look at opportunities to work more closely with Further Education colleges across the UK to understand opportunities to produce essential financial skills training resources.

In developing the 2021/22 Corporate Plan, MaPS will consider the development of a pilot with a large employer to evaluate the success of any initiative to support young people in government-backed programmes (e.g. apprenticeships).

NB. Education policy is devolved in Northern Ireland, Scotland and Wales and may require a more nuanced approach from MaPS in terms of embedding financial education. For full details, please see each respective 'story so far' documents, which have available links on [page 14](#).

¹⁷ <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/03/Financial-Foundations-Challenge-Pack-UK-Strategy-for-Financial-Wellbeing.pdf>

¹⁸ See above

¹⁹ <https://www.nesta.org.uk/project/rapid-recovery-challenge/>

3. Helping parents and children to talk about money and mental health

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.

Linked to ‘Financial Foundations’ agenda for change within UK Strategy for Financial Wellbeing

Target group: parents, particularly single parents on low incomes, who may have been hit hard by Covid-19, facing increased or new mental health and money pressures.

MaPS’ role:

In this recommendation, the independent Chairs have called on MaPS to create new support tools to facilitate parent/child conversations amidst the backdrop of money and mental health problems.

Support for money conversations in the home is particularly timely given the instability caused or further deepened by the Covid-19 crisis and the increasing evidence surrounding the importance of conversations about money at home²⁰. While MaPS supports the principles behind this recommendation, further evaluation evidence of existing ‘Talk, Learn, Do’ interventions and attached pathfinder projects is required before MaPS can deliver on this recommendation.

Supporting evidence

Parents play an important role in shaping the financial capabilities of children. As referenced in the independent Chairs’ report, MaPS research clearly demonstrates that conversations about money at home are just as important as those that take place in school. Children that are more financially capable regularly receive money, have responsibility for saving and spending decisions, and have parents who take an active role in teaching their children about money²¹.

MaPS recognises that families who wish to have conversations about money in the home may need support to do so. It is for this reason that MaPS created the ‘Talk, Learn, Do’ intervention and embarked on pathfinder projects across Northern Ireland, Scotland, and Wales to further support financial wellbeing within the household.

Developments within ‘Talk, Learn, Do’ are still at a relatively early stage. MaPS seeks to further embed the ‘Talk, Learn, Do’ resource by collecting evidence from the pathfinder projects and evaluating their success.

How will MaPS deliver against this recommendation?

MaPS recognises that the ‘Talk, Learn, Do’ model has the potential to be adapted for the creation of tools to support parent/child conversations amidst money and mental health problems²². However, it would not be appropriate to adapt the programme before MaPS has fully evaluated its impact in its current form.

MaPS commits to sharing the learning from existing pathfinder projects and building the contents of this recommendation from the independent Chairs into the commissioning of future programmes.

Additionally, in interactions with third sector, government and public health bodies, MaPS will continue to champion the value of parent/carer and child conversations about money.

One example of existing collaboration is Public Health England’s current ‘Every Mind Matters’ campaign, aiming to give people the skills to improve their mental health in a number of key areas, into which MaPS is sharing parent and teacher resources²³.

MaPS is also feeding into the UK Government’s Inter-Ministerial Task Group on the mental health impacts of Covid-19 to which this recommendation adds significant value.

²⁰ <https://www.moneyadviceservice.org.uk/en/articles/how-to-talk-to-your-children-about-money>

²¹ <https://maps.org.uk/wp-content/uploads/2020/03/Financial-Foundations-Challenge-Pack-UK-Strategy-for-Financial-Wellbeing.pdf>

²² <https://www.moneyadviceservice.org.uk/en/corporate/findings-from-talk-learn-do>

²³ <https://www.nhs.uk/oneyou/every-mind-matters/>

4. Helping over-50s to make the best decisions for their needs

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.

Linked to 'Future Focus' agenda for change within UK Strategy for Financial Wellbeing

Target group: People in their 50s who lose their jobs, or have their income reduced, and who may be likely to have fewer options in a tough jobs market. At the same time, they are in an age cohort increasingly at risk if they become infected with Covid-19, which may further limit new job opportunities they can take.

MaPS' Role

This recommendation calls on MaPS to create an extra resource to help people over 50 who have been affected by Covid-19 and need to plan for their financial future. MaPS agrees with the independent Chairs that Covid-19 has created an extra set of challenges for those over 50 in navigating their options and protecting their future financial wellbeing. MaPS notes that while PensionWise and others provide guidance on a range of matters including accessing a pension pot, there is a need for a more flexible resource to plan for financial futures in the light of Covid-19 (healthcare/power of attorney etc.)²⁴.

Supporting evidence

There is clear evidence that uncertainty pertaining to Covid-19 is causing many people to assess their financial future and their pension. A survey conducted on behalf of Aviva found that 37% of pension savers – equivalent to 7 million people – had taken action relating to their pension during the lockdown, and nearly a third (29%) were using the lockdown to review their spending habits more often²⁵.

Furthermore, bereavement, illness and other tragic Covid-19 related circumstances are plunging many people into uncertainty and in need of financial guidance. The Pension Advisory Service research shows that many women in their early 60's/70's were bereaved as a result of Covid-19 and did not know what to do to plan for the future²⁶. MaPS commends the independent Chairs for recognising this phenomenon and identifying it as a priority.

How will MaPS deliver against this recommendation?

MaPS will respond to the recommendation by continuing to review, prioritise and collect relevant information for people over 50 in the light of Covid-19 and in the context of broader work on the 'Mid-life MOT' anticipated in 2021²⁷. MaPS will use this information to create a 'later-life checklist', mindful of the steer from the independent Chairs that it would have no upper age limit but should be focused on those who intend to dip in to their retirement savings as a result of Covid-19.

The 'checklist' is planned as a digital resource. Part of delivering against this recommendation for MaPS is making sure that trusted partners are identified to advertise and syndicate the 'checklist' as part of their own content. In this way, MaPS can reach the widest audience and use the checklist to help people in the UK to plan for their financial future amidst the challenges of Covid-19.

²⁴ <https://www.pensionwise.gov.uk/en/coronavirus-and-your-pensions>

²⁵ <https://www.aviva.com/newsroom/news-releases/2020/07/thirty-seven-percent-of-savers-have-taken-action-relating-to-their-pension-in-lockdown/>

²⁶ <https://www.pensionsadvisoryservice.org.uk/about-pensions/when-things-change/coronavirus-how-will-this-affect-my-pension-or-investments>

²⁷ <https://www.yourpension.gov.uk/mid-life-mot/>

b) Recommendations for others but supported by MaPS

A number of recommendations within the independent Chairs' report were aimed at other organisations but can be supported by MaPS within its vision of 'everyone in the UK making the most of their money and pensions'. Please see below:

5. Urgent reconsideration of vulnerability by financial services

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.

***Target group:** Many people can find themselves in vulnerable circumstances at some point in their financial lives. For some people, the reason is permanent difficulty, for others short-lived circumstances. Covid-19 has created new vulnerable circumstances.*

MaPS' role

This recommendation from the independent Chairs is aimed at the FCA. The FCA is the conduct regulator for nearly 60,000 financial services firms and financial markets in the UK²⁸. MaPS' role in relation to this recommendation is to 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 those who may be vulnerable as a result of Covid-19.

Supporting evidence

MaPS welcomes the independent Chairs' assertion that further action is necessary to respond to the impact of Covid-19 on those who were already vulnerable or who may now be placed in vulnerable circumstances due to the onset of the public health crisis and its associated physical, mental and financial impacts. Under the terms of the Financial Claims and Guidance Act 2018, MaPS holds a statutory duty to take account of vulnerable customers in the services that it offers²⁹. In delivering its statutory duties, MaPS has an explicit obligation to ensure that information, guidance, and advice is available to those most in need of it.

Evidence suggests that the onset of Covid-19 may mean that those who were already in a bad financial position may find themselves in further difficulty. A survey by YouGov in June 2020 pointed to a more challenging environment for those who may need to access credit across the UK³⁰. The survey found:

- Three in five financially distressed people (59%) say their debts have increased as a result of Covid-19;
- A quarter have borrowed money from family or friends (26%), and a similar number have dipped into emergency savings (23%);
- Some 16% have not been able to pay any regular bills or payments; and
- 12% say they do not think their finances will ever recover.

How will MaPS support this recommendation?

As well as being engaged in a process of on-going dialogue and liaison with the FCA on matters of vulnerability and financial wellbeing, MaPS has exercised its own obligations in relation to vulnerability in a number of ways both before and during the coronavirus pandemic.

²⁸ <https://www.fca.org.uk/about>

²⁹ The Financial Claims and Guidance Act, 2018

³⁰ <https://yougov.co.uk/covid-19>

Between April and June 2019, MaPS conducted an intensive listening phase across the UK to engage with more than 1,000 stakeholders and levy payers on multiple aspects of financial wellbeing. In roundtable discussions, many stakeholders expressed a view that vulnerability can occur rapidly, may be transient or more permanent, and that MaPS must reach customers who may be vulnerable, by means of enhanced partnership working³¹.

MaPS continues to support the important work of the FCA to guide firms to develop products and services fit for those who are most vulnerable in UK society. Over the course of the summer MaPS formally engaged with the FCA on the current version of vulnerability guidance and issued a response to a related consultation that takes particular account of the impact of Covid - 19³². Additionally, MaPS has developed its own vulnerability principles and will continue to play its part in helping those who are potentially vulnerable as a result of Covid – 19 to access the support and guidance that they need via the provision of services that take full account of this customer group³³.

³¹ <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/01/Listening-Phase-Report-Money-and-Pensions-Service-January-2020.pdf>

³² <https://www.fca.org.uk/news/press-releases/new-guidance-help-firms-do-more-vulnerable-consumers>

³³ <https://moneyandpensionsservice.org.uk/wp-content/uploads/2019/10/FCA-vulnerable-customers-guidance-consultation-response-1.pdf>

8. More help with credit payments as the Covid crisis continues

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.

***Target group:** FCA measures provide up to six months of payment support, but at the end of payment deferrals, millions of people will have to catch up on deferred payments and pay off overdrafts at higher rates.*

MaPS' role:

This recommendation from the independent Chairs' urges financial services firms to offer repayment plans for those coming out of Covid-19 deferrals as a default and to waive interest for people who are in serious difficulty. The recommendation also lists the FCA and refers to FCA guidance on Covid-19 payment deferrals³⁴, and on supporting customers at the end of these. MaPS agrees with the independent Chairs in recognising the potentially difficult situation for people coming out of Covid-19 payment deferrals. MaPS has been active on the issue of Covid-19 payment deferrals and will fulfil its role by continuing to make the case for those who encounter financial difficulties when leaving a Covid-19 payment deferral process.

Supporting evidence

Customers affected by Covid-19 payment deferrals may face a range of mutually compounding issues affecting their financial wellbeing, most notably a potential combination of reduced income, unaccustomed levels of unpaid borrowing and, in many cases, loss of employment.

In August, MaPS responded to the FCA call for input on support for customers affected by coronavirus and expressed its concern over the practical impacts for customers exiting Covid-19 payment deferrals³⁵. Those who had previously made use of the option to take out an interest free overdraft of up to £500 (reduced interest rates for anything exceeding this figure), could now be faced with the shock of a 40% interest rate being applied to their balance. Additionally, MaPS expressed its concern that the ending of payment breaks on credit cards will also give rise to higher credit balances and repayments.

MaPS made a series of recommendations to the FCA including:

- At the point when the deferral scheme ends, require lenders to agree individual repayment plans, offering reduced interest rates in respect of Covid-related debt burdens and waiving interest where this is necessary, in order to avoid significant financial detriment to customers.
- In the case of particularly vulnerable customers, require firms to consider writing off Covid-related debts.

Read the full MaPS response to the FCA, [here](#). The FCA's final Guidance for firms on supporting customers coming out of payment deferrals was welcome, in creating obligations on firms to provide tailored support to their customers that can include repayment plans or waiving interest where most appropriate. The Chair's recommendation is that firms opt for these options to provide the greatest level of support to consumers.

How will MaPS support this recommendation?

MaPS will continue its constructive engagement with the FCA and other partners to complement their own efforts and explore ways to ensure customers have access to sources of free and impartial guidance and advice, particularly when they are faced with arrears and multiple creditors.

The MaPS 'Money Navigator Tool', designed to help people who have seen their finances impacted by Covid-19 including those dealing with complex financial situations, is one way that this can be achieved before the end of 2021.

³⁴ <https://www.fca.org.uk/publication/finalised-guidance/finalised-guidance-consumer-credit-coronavirus-additional-guidance-firms.pdf>

³⁵ <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/08/FCA-consultation-response-post-deferral-measures-coronavirus-mortgages-consumer-credit.pdf>

10. A no-interest loan scheme for people most in need

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.

***Target group:** 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’ role

The independent Chairs have recommended that Fair4All Finance and partners should progress the design and pilot of a no-interest loans scheme in England targeted at those most in need. Fair4All Finance are funded by dormant assets money in England to increase access to fair, affordable, and appropriate financial products and services via a combination of financial support, capacity building and ecosystem development programmes³⁶. MaPS has a close interest in this work and looks forward to seeing the outcomes from Fair4All Finance, Toynbee Hall, and Fair by Design’s work on the pilot and how it aligns with our strategic objectives.

Supporting evidence

MaPS notes the feasibility study undertaken for HM Treasury (HMT) by London Economics between April and August 2019 and its finding that lower-income consumers could benefit from credit in the form of a no-interest loan to meet unexpected costs, given they would often find themselves unable to repay loans, even at the interest rates charged by social and community lenders³⁷.

How will MaPS support this recommendation?

MaPS will consider how we might support any further work, aligned with our ‘Credit Counts’ agenda for change, as agreed with Fair4All Finance.

For further details on affordable credit considerations in Northern Ireland, Scotland and Wales please see each respective ‘story so far’ document. Links to these documents are available on [page 14](#).

³⁶ <https://fair4allfinance.org.uk/about-fair4all/>

³⁷ <https://londoneconomics.co.uk/blog/publication/feasibility-study-into-the-viability-of-establishing-a-no-interest-loans-scheme-nils-in-the-uk-march-2020/>

6. Money support for people with mental health problems

The National Academy for Social Prescribing (NASP), 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

***Target group:** Covid-19 has created or made worse mental health and money problems across the UK. Many people referred into social prescribing services in NHS primary care have a mix of money worries and mental health problems.*

MaPS' role

MaPS is listed as a supporting partner in this recommendation alongside the National Academy of Social Prescribing (NASP) and Mental Health UK. NASP creates partnerships across multiple sectors to promote health and wellbeing and aims to champion social prescribing and the work of local communities³⁸. Mental Health UK works across England, Scotland, Wales, and Northern Ireland and brings together experts from four national mental health charities to improve understanding and provide vital care³⁹. MaPS' role in this recommendation is in regard to the co-design and production of a new money support resource to be made rapidly available to social prescribing partners in England by the end of 2020.

Supporting evidence

MaPS recognises 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. In England, these services are variously delivered by the NHS, local authorities, and the third sector responding to the holistic wellbeing needs of people in their communities. MaPS welcomes the opportunity to engage in the new 'Thriving Communities' England-wide social prescribing initiatives from NHS England and NASP⁴⁰.

MaPS also recognises the inclusion within the independent Chairs' report of some available studies indicating how social prescribing money support interventions, such as through information signposting, can support the financial wellbeing of users.

MaPS has already been working closely with the NASP and Mental Health UK to develop the recommended resource at pace, in the light of the evidence that shows how money worries and mental health problems have been worsened or triggered by the effects of the coronavirus pandemic.

How will MaPS support this recommendation?

MaPS have co-developed the resource in conjunction with Mental Health UK and the NASP and it was made available from October 2020 due to the urgency of the situation.

This work, being led by Mental Health UK, will continue to be made widely available to patients with mental health and money worries through NHS social prescribing 'link workers' in England by the end of 2020, and will also be freely and publicly accessible digitally.

As a further step, MaPS is now exploring with Mental Health UK other opportunities in Northern Ireland, Scotland and Wales within both social prescribing and wider primary care services for providing the same or similar resource. We recognise the range of services, partnerships and initiatives that support wellbeing within local communities, including financial wellbeing and mental health needs, and will continue to identify collaborative channels – including through the four health systems in the UK, where financial wellbeing support can be provided outside of traditional routes.

³⁸ <https://socialprescribingacademy.org.uk/about-us/>

³⁹ <https://mentalhealth-uk.org/about-us/>

⁴⁰ <https://socialprescribingacademy.org.uk/thriving-communities-fund/>

9. Accessible, responsive debt and credit services

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

***Target group:** The impact of Covid-19 on financial wellbeing means that many more people will require debt advice or support to manage their credit commitments, including people whose mental health has been impacted.*

MaPS' role

This recommendation has four elements to which MaPS will respond separately. The first two parts of this recommendation urge MaPS to carry out two reviews to help the debt advice sector to address an expected rise in demand as a result of Covid-19 and examine outcomes for customers who are less well served by debt advice. This call is made directly to MaPS without partner involvement.

The second two elements of this recommendation call on MaPS and MMHPI to promote accessible debt and credit services for people with mental health problems. MMHPI is a centre of expertise on money and mental health problems and was founded by Martin Lewis⁴¹. MaPS' role in relation to the second element of the recommendation would be to work closely with MMHPI to co-produce new guidance for debt and credit services that ensures accessibility for people with mental health problems.

Supporting evidence

MaPS has begun forecasting the projected demand for debt advice and preparing for an increase in those needing support, particularly as people exit from support packages currently in place and as a result of broader macro-economic impacts⁴². MaPS will continue to provide money guidance information and signpost to debt advice through the Money Navigator Tool.

MaPS supports the continuing need to make credit and debt advice services across the UK more accessible for people with mental health problems across all channels. MMHPI has developed a body of evidence pointing to the need for further improved support for people with mental health problems, by service providers, for people obtaining debt advice or engaging with creditors.

How will MaPS support this recommendation?

1. MaPS has undertaken a rapid review of the impact of lockdown and social distancing on the debt sector. Findings from this review will secure capacity and access to debt advice in the short- to mid-term for those who need it, particularly in the light of Covid-19.
2. MaPS will work with the sector to review debt advice provision for customers presenting as a result of the pandemic, including those who may be in a 'negative budget'.
3. MaPS will work with the MMHPI to further develop 'accessible by design' standards to improve the way debt advice commissioning supports those with mental health problems (e.g. making communications accessible and tailoring debt advice to people with mental health difficulties).
4. MaPS will support MMHPI to craft good practice accessibility standards for creditors. This work will be informed by the MMHPI's existing financial services accessible standards expertise and drawing on findings from the recent 'Help Along The Way' research report, funded by MaPS.

⁴¹ <https://www.moneyandmentalhealth.org/mentalhealthaccessible/>

⁴² <https://maps.org.uk/2020/09/02/update-on-debt-advice-funding-in-the-wake-of-covid-19/>

MaPS will also work with the MMHPI to convene appropriate platforms to engage with creditors and debt advice services. Indeed MaPS, as the largest commissioner of debt advice services in England, is well placed to support this recommendation working together with other debt advice commissioners and providers throughout all four nations of the UK.

MaPS can also see the potential future activity, building on this initial 'accessible by design' work, to raise awareness by consumers and in money and mental health support services of the creditor and debt advice standards of service that people with mental health problems should experience.

MaPS also acknowledges the work the FCA is currently doing to develop new guidance for the financial services sector to support vulnerable consumers, which includes people with mental health problems. We recognise the opportunity these recommendations present for accelerating improved service delivery for people with mental health problems by creditors and in the debt advice sector.

Work is underway to respond to the recommendation and carry out reviews before the end of 2020.

7. Addressing economic abuse, and the debts it has created

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.

***Target group:** People (predominantly women) who have suffered a double impact from Covid-19 and financial control as part of economic abuse.*

MaPS' role

Surviving Economic Abuse (SEA) is the focus of this recommendation from the independent Chairs. SEA is the only UK charity dedicated to raising awareness of economic abuse and transforming responses to it⁴³. According to SEA, 'an abuser may restrict how their partner acquires, uses, and maintains money and economic resources, such as accommodation, food, clothing, and transportation. This behaviour is known as economic abuse'⁴⁴.

MaPS supports the recommendation from the independent Chairs that Surviving Economic Abuse should lead a pilot of the Economic Abuse Evidence Form for creditors and credit reference agencies by summer 2021. Economic abuse/financial control plays a demonstrable part in a victim-survivor's ability to manage their financial wellbeing and make the most of their money and pensions. MaPS' role in regard to this recommendation is to work closely with SEA to bring the pilot to completion and to share the learning across Northern Ireland, Scotland and Wales.

Supporting evidence

Domestic and economic abuse impacts all areas of financial wellbeing. The economics of abuse are complex and cross many areas of a victim-survivor's life including housing, employment and meeting their own and their family's essential needs. Domestic abuse – emotional, physical, and economic can have a long-lasting impact on a victim-survivor's economic resources and or/resilience⁴⁵.

How will MaPS support this recommendation

MaPS will work with SEA to position the Economic Abuse Evidence Form as an intervention rather than a process of documenting economic abuse or identifying victim-survivors of economic abuse. Part of this work for MaPS will be match-funding the pilot of the economic abuse form and helping to initiate it in the first quarter of 2021.

Additionally, MaPS notes that part of the recommendation from the independent Chairs calls on debt advice agencies to review how they support customers who have fallen victim to economic abuse/financial control or who may now be in vulnerable circumstances as a result. MaPS will scope the possibility of funding specialist sector-wide training for debt advisors in identifying domestic and financial abuse to further support the rollout of the Evidence Form.

As well as helping support the delivery of the pilot of the Economic Abuse Evidence Form, MaPS commits to share the learning from the pilot and to explore scaling it up in Northern Ireland, Scotland and Wales.

⁴³ <https://survivingeconomicabuse.org/home/vision-and-mission/>

⁴⁴ <https://survivingeconomicabuse.org/economic-abuse/what-is-economic-abuse/>

⁴⁵ <https://survivingeconomicabuse.org/wp-content/uploads/2020/03/Statistics-on-economic-abuse.pdf>

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.

Target Group: *Millions of people have been hard hit by the Covid crisis because they have low — or very irregular — income. And many do not know the Government will boost any savings they put into ‘Help to Save’ accounts.*

MaPS’ role

The HMRC-led ‘Help to Save’ initiative for low income groups involves setting up a savings account which allows people who are entitled to Working Tax Credit, or who receive Universal Credit, to get a bonus of 50p for every £1 they save up to £50 a month over four years⁴⁶. Help to Save accounts will be available to open until September 2023. MaPS’ role in this recommendation will be to support HMRC and HM Treasury to continue to promote ‘Help to Save’.

Supporting evidence

The latest statistics indicated that only around 4% of the eligible beneficiaries had opened a ‘Help to Save’ account⁴⁷. MaPS research indicates that incentivised saving products work well in attracting savers and having financial incentives to save, such as matched savings (e.g. through the ‘Help to Save’ initiative) and attractive savings products, help to form saving habits. The Savings Gateway, a policy initiative that preceded Help to Save, showed that large-scale incentivised savings schemes can have a positive impact on savings.

How will MaPS support this recommendation?

MaPS works closely with HM Treasury and HMRC on the promotion of ‘Help to Save’ and will continue to engage constructively in a complementary capacity during 2021.

⁴⁶ <https://www.gov.uk/get-help-savings-low-income>

⁴⁷ [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/912379/Help to Save August 2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/912379/Help_to_Save_August_2020.pdf)

c. Recommendations outside of MaPS' remit

11. Extend Universal Credit relief measures

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.

13. Retain and improve Covid-related changes to Statutory Sick Pay

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.

MaPS is the body in the UK responsible for helping people to make the most of their money and pensions. The above recommendations are beyond the scope of MaPS. For this reason, it is not appropriate that MaPS respond to these recommendations within this document. Through our regular engagement with our sponsor department (DWP) MaPS has passed on these recommendations with rationale provided by the independent Chairs. MaPS will continue to have a close relationship and work constructively with our government partners to respond to the Covid-19 crisis and to deliver the UK Strategy for Financial Wellbeing.

