

# Appendices

## Appendix A: The financial wellbeing challenge in England

When the UK strategy was published, national goals were set at a UK level from which individual goals for each of the four nations of the UK have been derived. Goals have not been set at a regional level within England as it is recognised that the socio-economic conditions across the regions coupled with differing devolutionary powers will affect the priorities and inform differences in delivery mechanisms in each region.

	Financial Foundations <sup>32</sup>	Nation of Savers	Credit Counts	Better Debt Advice <sup>33</sup>	Future Focus
<b>England element of UK national goal</b>	1,700,000 more children and young people (CYP) receiving a meaningful financial education	1,739,000 more people saving regularly among the working-age struggling and squeezed segments	1,745,000 fewer people using credit for food and bills amongst all adults	1,755,000 more people receiving quality debt advice	4,227,000 more people saying they understand enough to plan for later life
<b>England</b> Total target population	4,000,000	12,800,000	7,900,000	4,400,000	20,000,000
<b>England</b> Proportion of total target population already achieving the national goal	47%	58%	18%	10%	45%

32 Money and Pensions Service (2019) UK Children and Young People’s Survey – Financial Capability 2019. Available at: <https://maps.org.uk/2020/01/21/uk-children-and-young-peoples-survey-financial-capability-2019>

33 Money and Pensions Service Debt Needs Survey (forthcoming)

## Appendix B: Plan-on-a-page description for each delivery activity

### Digital hub

#### Who it will help

The hub will initially focus on small businesses. It will enable employers to improve their understanding of the financial wellbeing needs of their workforce. Employers, particularly small businesses, are an important way of reaching people at scale on a wide range of financial and wellbeing matters.

#### The delivery activity

The MaPS-led development of an employer toolkit plugs into wider financial wellbeing activities and acknowledges the substantial market shaping already underway with leading providers, including credit unions, who offer financial wellbeing support and a range of financial products to millions of employees. Delivery activity will also consider trends in the marketplace, which is seeing a blending of physical, mental and financial wellbeing support, particularly by larger employers.

#### Evidence and the national context

Across the UK, the workplace is not being used consistently or as an effective channel to improve the financial wellbeing of workers. There is extensive evidence to explain why employers should care about financial wellbeing and its impact on worker engagement, productivity and risk<sup>34</sup>.

MaPS will engage with existing movements including the Inclusive Economy Partnership (IEP) and the National Wellness Conversation to leverage new research, resources and the potential of collective impact.

A key focus is the need to provide information and guidance without using jargon, and to exercise caution when using terms such as ‘wealth’ and ‘career’ that are not relatable to a significant number of people. The flexible and transient nature of working life needs to be incorporated into content and tools aimed at savers, and this information and guidance must be delivered through different communication channels and strategies that reach them directly.

#### Towards impact at scale in England

In 2022 MaPS will develop a digital hub that, over time, will include the following elements:

- A diagnostic tool to allow employers to assess employee financial wellbeing needs
- A ‘moments that matter’ framework based on life events/stages or trigger moments through which to signpost employees towards money, debt and pension support
- A means through which employers can understand the choice of financial products available for them to offer through the workplace (although not specific product recommendations)
- A source of best-available evidence on financial wellbeing in the workplace to help employers build the case for provision within their businesses

#### Leaders, partners and the delivery of change in England

MaPS will lead the design and content of the toolkit, and encourage early adopter employers to influence other employers, employer bodies and financial service providers.

# Supporting financial wellbeing through health services and systems

## Who it will help

Some people with money and health problems will access NHS community or primary care-based services, including NHS social prescribing and the Improving Access to Psychological Therapies (IAPT) programme.

In the context of NHS England personalised care, this activity will help therapists, link workers and advisors to support patients with money problems, and to refer or signpost them to the right support, guidance, tools or partners to address their specific needs.

## The delivery activity

MaPS will collaborate with NHS England social prescribing and psychological therapies teams to design, pilot and deliver financial wellbeing support through health systems. This will include MaPS money guider training, direct referrals into debt advice and money and pensions guidance.

## Evidence and the national context

In England, among adults with poor mental health or capacity or with cognitive difficulties, 42% found dealing with customer services confusing, 34% were anxious when shopping around for financial products, and 29% had fallen into debt because they had not felt able to deal with difficult financial situations<sup>35</sup>.

Having a mental health condition can result in a range of difficulties when dealing with financial services. For example, of the 3% of all UK adults who told us in early 2020 that they have a mental health condition that reduces their ability to carry out day-to-day activities a lot:

- 63% have problems with debt or their ability to manage money
- 56% find interacting with financial services providers difficult
- 37% are anxious about shopping around for financial products or services in case they make a mistake

In addition to this, social prescribing is founded on the recognition that for many people, health problems are related to wider issues and access to support with those issues can deliver more sustainable improvements in health outcomes. Working to address poor financial wellbeing through social prescribing can benefit wider wellbeing.

## Towards impact at scale in England

- MaPS will establish a project group to coordinate and oversee engagement and developments with NHS systems. Work will include the design/use of patient/consumer support tools and resources for dissemination through designated NHS service providers, professional competency development to include money guidance elements, embedding financial wellbeing as a component of personalised care policy, and building NHS system monitoring of financial wellbeing intervention delivery and impacts.
- We will collaborate closely with NHS services nationally to plan incremental piloting and roll out.
- This will be delivered by primary and community-based mental health services.
- MaPS will build on current work with the DWP-funded IAPT employment advisor network, who are developing skills through MaPS' money guidance framework.

## Leaders, partners and the delivery of change in England

MaPS, NHS England and the National Academy for Social Prescribing working with leading health service and community based mental health support services.

## Tailored financial wellbeing support for women in the workplace

### Who it will help

This activity will support all people, but specifically women, trying to balance the demands of family and working life or run a business, and enable them to make informed financial decisions that assist their long-term financial wellbeing, particularly in pension planning.

### The delivery activity

Best practice and guidance with a specific focus on the needs of women will be included on the digital hub. This will help employers provide the right financial wellbeing support to women at the key moments that matter.

MaPS will work with pension providers, financial services and large employers to signpost people to existing best practice or create new content where gaps in provision are identified.

### Evidence and the national context

The Women and Work APPG 2020 report focused on women's wellbeing at work and how to broaden employee wellbeing to include financial health and better gendered outcomes for women<sup>36</sup>.

In 2018 Insuring Women's Futures reported that women's working lives are more likely to be impacted by caring responsibilities that contribute to a reduced financial resilience in adult and later life.

It is important to note that 490,000 people in the UK have more than one job, of which 69% are women. Employers also need support to help them understand the needs of their part-time workers and enable them to provide the right flexibility<sup>37</sup>.

The FSB has highlighted a range of issues faced by entrepreneurial women, including access to finance and fear of debt, and their research also indicates that male-led SMEs are five times more likely to scale up to £1 million turnover than female-led SMEs<sup>38</sup>.

Findings by the Pensions Policy Institute (PPI) suggest that women retiring in 2020 were due to receive just £11,760 a year on average in total pension income, including the **State Pension**. In comparison, this figure was £16,330 on average for men – a pension income gap of 28%.

### Towards impact at scale in England

- Working with others, MaPS will raise awareness of the Insuring Women's Future (IWF) Financial Flexible Working and Living Hours pledges.
- MaPS will ensure that the digital hub has gender-specific content that drives positive financial wellbeing impacts for women. For example, a tool to help people project their pensions, allowing them to factor in any gaps in their careers, which is more likely to support women in their retirement planning.
- Once the digital hub is in place, from the MaPS partnerships team will help employers to create financial wellbeing strategies with a specific focus on driving positive outcomes for women.
- The 2019 Rose Review of Female Entrepreneurship found that the number one barrier for women entrepreneurs is family care responsibilities<sup>39</sup>. This group has also been particularly impacted by Covid-19 and additional caring responsibilities. MaPS will complement existing work to increase the amount of support available for female entrepreneurs and promote the needs of female entrepreneurs.

### Leaders, partners and the delivery of change in England

MaPS will lead the development of the digital hub and will work with employers, financial services and others to identify industry-leading content on flexible working, entrepreneurship and parental leave.

36 Women and Work All Party Parliamentary Group (2020) Women and work annual report. Available at: <https://connectpa.co.uk/wp-content/uploads/2021/02/Women-and-work-Annual-report-2020.pdf>

37 Pensions Policy Institute (2016) The under pensioned. Available at: <https://www.pensionspolicyinstitute.org.uk/press/ppi-in-the-press/posts/2016/march/the-under-pensioned-2016>

38 The Federation of Small Businesses (FSB) Women in Enterprise: The Untapped Potential (2016). Available at <https://www.fsb.org.uk/resources-page/women-in-enterprise--the-untapped-potential-.html>

39 The Rose Review of Female Entrepreneurship (2019) Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/784324/RoseReview\\_Digital\\_FINAL.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784324/RoseReview_Digital_FINAL.PDF)

## Digitise Talk, Learn, Do content

### Who it will help

Digitisation of Talk, Learn, Do (TLD) will help practitioners and parents of 3–11 year olds to access bite-sized content that provides children with solid financial foundations. Digitising the programme will also allow MaPS and partners to broaden the scope to provide gendered content and support for those with mental health issues. Over the next eight years, the aim of TLD is to reach over 350,000 children and young people across the UK, with a keen focus on parents and carers from the struggling and squeezed segments. This figure expands the age range to include material targeted at teenagers.

### The delivery activity

TLD is an existing programme that helps parents to teach their children about money with the aim of improving financial capability. Successfully piloted through face-to-face group sessions, this delivery activity will adapt TLD content and materials to make it digitally accessible, interactive, and engaging for a wider variety of parents and practitioners across all four nations of the UK. Digitisation also offers the opportunity to review the content to ensure positive financial outcomes for girls.

### Evidence and the national context

79% of children and young people in England would turn to their parents and carers for advice about money but parents do not always feel confident having these conversations<sup>40</sup>.

Better active saving behaviours are found among children whose parents and carers openly discuss household finances with them (48% among those whose parents discuss this versus 33% among those who don't) or set rules about how to save and spend their money (46% versus 28%) – these differences are statistically significant<sup>41</sup>.

TLD has a strong evidence base of supporting parents and carers to achieve positive impacts, as well as improving family financial capability and reducing levels of parent over-indebtedness.

Digitising TLD enables us to reach a wider variety of parents and carers and promotes our goal to help them improve their children's financial capability.

### Towards impact at scale in England and across the UK

- In 2021 MaPS will convene a series of collaborative scoping workshops with key partners to define the different workstreams of the programme and identify other sources of funding.
- With parenting groups, third sector digital organisations and practitioners, MaPS will agree the focus for digitising existing content for 3–11 year olds.
- With community groups and third sector organisations, parents will review existing content and establish clear design principles to ensure that the content is inclusive and accessible for all.
- Depending on the funding sources, MaPS will coordinate the commissioning process with digital agencies to create and publish the TLD content. The scope will include partners capable of distributing the final content.
- In parallel, MaPS will continue to develop the business case for TLD, test new and enhanced content with parents, carers and practitioners, and build a wide delivery partner network.

### Leaders, partners and the delivery of change in England

MaPS will coordinate this activity by convening parenting stakeholders, community and practitioner groups and membership organisations to scope the work, test and develop content and then directly commission digital agencies to create new content and digital journeys that will have the biggest impact on the target audience.

40 Money and Pensions Service (2019) CYP Financial Capability: Nations summary. Available at: <https://maps.org.uk/wp-content/uploads/2020/01/Money-and-Pensions-Service-Children-and-Young-People-Financial-Capability-Wellbeing-England-summary-Financial-Foundations.pdf>

41 The Money Advice Service (2018) Talk, Learn, Do evaluation: a financial capability intervention for parents. Available at: <https://maps.org.uk/wp-content/uploads/2021/03/talklearndo-final-evaluation-report-oct-2018.pdf>

# Develop Talk, Learn, Do for teenagers and young people

## Who it will help

Expanding Talk, Learn, Do (TLD) content to include teenagers and young people will help parents and carers of older children to support their transition into adulthood and address issues such as gambling or money mules. It will also address positive choices, including how to budget properly, as young people start to engage more regularly with money matters. Primarily focused on parents and carers in the struggling and squeezed segments, alongside the previous digitisation activity, this activity aims to reach 350,000 children and young people in England by 2030 and (in parallel) to increase the financial capability of parents, carers and families.

## The delivery activity

Following on from the success of TLD for parents of 3–11-year-olds, this delivery activity aims to develop a version of TLD to help parents and carers of teenagers and young people (11–18 years) to navigate conversations about money and teach their children about money just when they need it. It is envisaged that this activity will take a digital-first approach (to be confirmed during the consultation phase) to create new and engaging content to address the specific needs of the age group.

## Evidence and the national context

Money conversations with teenagers and young people are significantly different from teaching children under 11 years, but there is a gap in the provision of support for parents and carers. Evidence shows that ‘just in time’ financial education messages when children, teenagers and young people begin to engage with money and spending is effective in improving financial capability. But parents and carers are often not equipped to have these conversations<sup>42</sup>.

A longitudinal evaluation of TLD showed that interventions that give parents and carers the confidence and skills to talk to and teach their children about money can significantly improve the financial capability of both parents and their children<sup>43</sup>.

However, there is a significant gap in support for parents and carers of older children, and MaPS is well-placed to coordinate the youth and family sectors and build on its flagship programme to support parents and carers in order to improve the financial capability of teenagers, young people and families.

The new scope of TLD will be aligned to the relevant statutory Relationships and Sex Education (RSE) and Health Education curriculums across the four nations of the UK.

## Towards impact at scale in England

- By Summer 2022 MaPS will complete and publish a full business case to extend the TLD content to teenagers and young people through a pilot project.
- Subject to budgetary approval, MaPS will then commission a third-party provider with relevant expertise to build the programme of works (by Autumn 2022).
- The programme of work will include:
  - Extensive codesign workshops with parenting providers, support organisations, youth practitioners and the youth financial capability sector (to be held within 2022)
  - Development of a toolkit to train practitioners and professionals who support parents and carers
  - The incorporation of learnings from the TLD pilot, the NatWest TLD project and parenting pathfinders in Scotland and Northern Ireland
- Workshops will then be used to enhance the design and deliver the enhancements.

## Leaders, partners and the delivery of change in England

MaPS will coordinate this activity, building the business case and engaging a coalition of parenting stakeholders and the youth and financial education sectors before engaging a third-party provider to fully scope and deliver content that will have the biggest impact on the target audience.

42 Money and Pensions Service (2019) CYP Financial Capability: Nations summary. Available at: <https://maps.org.uk/wp-content/uploads/2020/01/Money-and-Pensions-Service-Children-and-Young-People-Financial-Capability-Wellbeing-England-summary-Financial-Foundations.pdf>

43 The Money Advice Service (2018) Talk, Learn, Do evaluation: a financial capability intervention for parents. Available at: <https://maps.org.uk/wp-content/uploads/2021/03/talklearndo-final-evaluation-report-oct-2018.pdf>

## Expand and scale teacher training across the UK

### Who it will help

This activity will help teachers and other practitioners to increase their knowledge, understanding and ability to confidently teach more children and young people about money matters, which, in turn, will build the confidence and improve the financial capability and resilience of over 500,000 children and young people by 2030. This work could be targeted to support specific age groups (transition from primary to secondary) or those with specific needs or in areas of deprivation.

### The delivery activity

Quality school-based financial education is key to achieving the UK strategy's national goal. Building on the successful programme in Wales, this delivery activity will scope, trial and engage stakeholders across England to a programme of work from 2022/23 onwards. The aim is to scale financial education teacher training by embedding delivery within existing teacher education systems, establishing best practice and informing future government policy.

### Evidence and the national context

Financial education delivered through school has a positive impact on financial capability – children who recall learning about money management in school are more likely to feel confident about money, save and have a bank account. However, only 38% of 7–17-year-olds currently recall having learned about money at school<sup>44</sup>.

Teachers recognise the value of financial education for children and young people, but report a lack of confidence<sup>45</sup> and skills in helping them to learn about money.

Training teachers to deliver financial education can be particularly effective in improving money knowledge and skills<sup>46</sup>, and has the potential to reach large numbers of children and young people.

### Towards impact at scale in England

- During 2021/22 MaPS will complete a scoping exercise and stakeholder engagement with the aim of developing a realistic and coherent plan to expand and embed teacher training throughout the UK. This is a long-term aspiration that is envisaged to stretch over the lifetime of the strategy.
- In part, the scoping exercise will be based on the learnings from the Wales Pathfinder, due to be published in Spring 2022.
- Based on the scoping exercise, consideration will be given to the need to develop pathfinders in England, Northern Ireland and Scotland.
- Provisionally, these would be launched towards the end of 2022 and, following a period of development, teacher training could commence in Spring 2023 with the evaluation to be completed by Autumn 2024. A full assessment of the findings would then inform the next phase of the programme.

### Leaders, partners and the delivery of change in England

The success of this delivery activity will require leadership from the Department for Education, higher education institutions, teacher training providers and teaching schools. MaPS' role will be to coordinate the various stakeholders and secure active engagement in the programme.

44 Money and Pensions Service (2019) CYP Financial Capability: Nations summary. Available at: <https://maps.org.uk/wp-content/uploads/2020/01/Money-and-Pensions-Service-Children-and-Young-People-Financial-Capability-Wellbeing-England-summary-Financial-Foundations.pdf>

45 The Money Advice Service (2018) Financial education in secondary schools in England. Available at: <https://maps.org.uk/wp-content/uploads/2021/03/schools-financial-education-infographics.pdf>

46 The Money Advice Service (2018) Children and Young People and Financial Capability: Needs Analysis. Available at: <https://maps.org.uk/wp-content/uploads/2021/03/cyp-needs-analysis.pdf>



## Support for practitioners working with those in vulnerable circumstances

### Who it will help

This package of financial education training, guidance and tools will support a wide range of children and young people in vulnerable circumstances, including those in care, at risk of homelessness or from low-income households. Support will also be available for particular minority groups with specific needs such as those with mental health problems. The aim is to provide practitioners working with these groups, along with parents, carers and guardians, access to the training, tools and expertise they need to drive positive outcomes for some of those who are most in need.

### The delivery activity

The aim is to improve the confidence and skills of practitioners, parents, carers and guardians of children and young people in vulnerable circumstances. Including guides, standards and toolkits, it will deliver financial education as part of initial training and continuing professional development. It will include guides, standards, and toolkits. There will also be a network of champions consisting of financial education leads from relevant organisations.

### Evidence and the national context

Financial education needs to take place not only in schools but also in the home, the community and other settings to be impactful<sup>47</sup>. Children and young people in vulnerable circumstances miss out on learning opportunities and often have a very different relationship with money, which has been further exacerbated by Covid-19<sup>48</sup>. Yet, children and young people in vulnerable circumstances are the least targeted in current financial education provision, despite needing it most<sup>49</sup>.

It is also accepted that practitioners in services supporting children and young people in vulnerable circumstances, along with carers who are not parents, want more help in giving young people support with money matters. Furthermore, we have seen that train-the-trainer models can deliver impact for both professionals working with children and young people, and the children and young people themselves.

### Towards impact at scale in England

- In 2021 MaPS will complete scoping and develop a detailed business case for developing the package of support (UK level) and the roll out in England.
- MaPS will then publish invitations to tender to practitioners working in the field and award the development work.
- It is anticipated the programme of work will be divided into two parts, with the initial package of support completed by Spring 2022, ready for roll out.
- In parallel with the tendering and development process, MaPS will lead on building a partnership model, with support from Department for Education, approaching financial services for funding support, and engaging with education providers, front-line support agencies and community groups to prepare them for the release of the package of support.

### Leaders, partners and the delivery of change in England

MaPS will coordinate this activity and focus on engaging different partners to fund and deliver financial education. The partnership model will include organisations in the third sector, the financial services sector and the Department for Education.

47 The Money Advice Service (2018) Children and Young People and Financial Capability: Needs Analysis. Available at: <https://maps.org.uk/wp-content/uploads/2021/03/cyp-needs-analysis.pdf>

48 The Children's Society (2020) The impact of COVID-19 on children and young people. Available at: <https://www.childrensociety.org.uk/sites/default/files/2021-01/the-impact-of-covid-19-on-children-and-young-people-briefing.pdf>

49 Money and Pensions Service (2020) Financial Education Provision Mapping 2019 Final Report. Available at: <https://maps.org.uk/wp-content/uploads/2021/02/financial-education-provision-mapping-analysis-2019-final-report.pdf>

## A charter to increase standards and the number of regular savers

### Who it will help

The Savings Charter is targeted at people in the struggling and squeezed segments who are existing bank, building society, fintech or credit union customers. Certain financial services providers have already committed to increasing the number of regular savers by many millions by 2025, but MaPS conservatively estimates that this activity will lead to 850,000 new regular savers in England. The charter will include a specific focus on people in vulnerable circumstances and lapsed savers whose financial resilience has been negatively affected by Covid-19.

### The delivery activity

The Savings Charter will bring together existing and future savings commitments by financial services alongside a pledge to use best-available evidence under an industry-wide movement. This aims to inspire other organisations, increase the profile of saving within the banking industry and highlight to consumers the importance of regular saving. Regular saving not only gives people a savings buffer (for peace of mind and financial flexibility) but also has a positive effect on their overall financial wellbeing.

### Evidence and the national context

Research by the Resolution Foundation<sup>50</sup> early in the pandemic showed that over 50% of those with the lowest levels of savings have had to dip into them to make ends meet.

The charter aims to support regular savings (little and often). Research by Toynbee Hall and others has found that creating the behaviour to save regularly improves financial resilience more than having a static savings buffer. This is because regular saving aligns to behaviours for good budgeting and day-to-day financial management.

In England, savings levels and regularity of saving vary across the regions but there is no evidence to suggest a differentiated delivery approach is required.

### Towards impact at scale in England

- MaPS will convene champion organisations from a representative mix of banks, building societies, credit unions and fintech providers to fully scope out the content and aims of the Savings Charter.
- The Savings Charter will include agreement on the importance of savings to financial resilience, a commitment to increase the number of regular savers by using best-available evidence in product design and promotion, and a commitment to support future development.
- The champion organisations will engage with industry bodies, Challenge Group members and others to gain support for the charter.

### Leaders, partners and the delivery of change in England

MAPS will coordinate, influence and support this activity by convening a group of champion organisations from banking, building societies, credit unions and the digital sector. This group will develop the charter and engage with other early adopter organisations from across the UK.

## Promote, expand and develop the case for payroll saving schemes

### Who it will help

Payroll saving schemes can potentially help all adults who are in work to develop a regular savings habit and build up a savings buffer. While not specifically targeted at the struggling and squeezed segments, providing a default savings option for working people will have a direct impact on the national goal. When combined with strong, well-rounded messaging on managing debts and planning for retirement, it can have a significant benefit to the financial resilience of all workers.

### The delivery activity

With coordination support from MaPS, financial services and employers will target a significant increase in voluntary take-up of existing opt-in payroll saving schemes. In parallel, and over the mid to long-term, MaPS, with support from partners, will trial opt-out schemes.

### Evidence and the national context

At least 23% of people have had to tap into their savings due to Covid-19, so more varied options are required to help people get back their financial resilience and their savings habit<sup>51</sup>.

Research published in 2021 following a 2-year study by the Financial Inclusion Centre, MaPS, Leeds City Council and NHS York concluded that payroll saving schemes are effective at encouraging positive saving behaviours and promoting financial resilience among lower-median income workers<sup>52</sup>.

### Towards impact at scale in England

- All stakeholders will seek to significantly increase voluntary take-up of payroll saving schemes (standalone, repay-and-save, sidecar) by 2030.
- Savings messages will be framed in the context of other major savings initiatives (Help to Save, reward-based savings and the Savings Charter) and alongside other financial trade-offs (auto-enrolment into workplace pensions, financial difficulty and problem debt) to ensure that workers consider all their options before signing up to workplace savings.

- The Minister for Pensions issued a letter on 17 March 2021 to FTSE100 employers encouraging them to set up a payroll saving scheme for their workers.
- By 2023, using the increased uptake and other trials, MaPS will build the evidence base for further development of opt-in and opt-out schemes.
- Based on this evidence, MaPS will work with government to assess next steps.

### Leaders, partners and the delivery of change in England

Employers and financial services have key roles to play in increasing take-up of existing payroll saving schemes. Continued funding will be critical in building the evidence base and innovating new payroll saving options. MaPS will coordinate, influence and support this activity by convening groups to focus on the different aspects of the programme.

51 Resolution Foundation (November 2020) Caught in a (Covid) trap. Available at: <https://www.resolutionfoundation.org/app/uploads/2020/11/Caught-in-a-Covid-trap.pdf>

52 Financial Inclusion Centre (February 2021) Getting Workforces Saving. Available at: <https://inclusioncentre.co.uk/our-work/payroll-savings>

# The future of prize-linked and reward-based savings, including Help to Save

## Who it will help

Help to Save is a government-backed reward-based saving scheme targeted at people in work and eligible for tax credits or Universal Credit (and therefore a strong correlation to the Nation of Savers target audience). According to the latest figures from HMRC, by the end of January 2021 almost 240,000 Help to Save accounts had been opened in England with total deposits of over £120 million<sup>53</sup>. The Help to Save scheme closes to new accounts in September 2023 and the first accounts start to mature from early 2022 until 2027, offering opportunities to keep engaging these savers as they moved matured funds to a new account.

## The delivery activity

The government's Help to Save scheme is a well-structured and generous reward-based savings offering with huge potential to help the target audience build their financial resilience and a saving habit over four years. This activity will maximise take-up and ensure that account holders understand the ongoing saving choices available to them once their Help to Save account matures after four years.

## Evidence and the national context

Since scheme's inception, the number of new Help to Save accounts has grown consistently by 5% per month and deposits appear unaffected by the Covid-19 pandemic. A conservative estimate of a continued growth rate of 3% per month until the end of the scheme would equate to an extra 422,000 accounts across the UK. According to the latest figures from HMRC, 55% of account holders are depositing money every month, indicating that Help to Save has created a strong saving habit<sup>54</sup> especially as it gives micro-savers the ability to save little and often.

HMRC published Help to Save customer research in August 2021 that indicates most Help to Save customers are women, with a third being single parents. The research also shows that most Help to Save customers are positive about their accounts, with the scheme having a positive impact on saving behaviour across the board, but particularly among those who did not previously save regularly<sup>55</sup>.

## Towards impact at scale in England

- HMRC, HMT and MaPS will collaborate to engage employers, social landlords, financial services and others as intermediaries to encourage take-up of Help to Save by their client groups (to 2023) and then to encourage ongoing saving once the account matures (to 2027).
- The first accounts start to mature from January 2022 (after being open for four years) at which point customers will transfer the funds to a new account.
- The mid to long-term focus is, by May 2022, to undertake an evidence review of loyalty-rewarded saving to support the case for future policy and market shaping in this area.

## Leaders, partners and the delivery of change in England

HM Treasury owns the Help to Save scheme, which is administered by HMRC, but a broad range of intermediaries will be required to maximise take-up of the scheme. Financial services are well-positioned to provide successor accounts to help people maintain their saving habit, and MaPS will lead on understanding the evidence behind reward-based and prize-linked savings, engaging partners and government in the discussion.

53 HMRC (June 2021) Annual savings statistics, Help to Save tables. Available at: <https://www.gov.uk/government/statistics/annual-savings-statistics>

54 Ibid.

55 HMRC (August 2021) Help to Save Customer Experience Research. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1014306/HMRC\\_research\\_report\\_623\\_Help\\_to\\_Save\\_customer\\_experience\\_research.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1014306/HMRC_research_report_623_Help_to_Save_customer_experience_research.pdf)

## Help consumers make better credit choices and manage credit effectively

### Who it will help

This activity will help people across all the Use of Credit consumer groups to make more affordable credit choices and manage existing credit commitments better. It will include a focus on young people, including young women who have been identified as being at particular risk of problematic use of credit.

### The delivery activity

The aim is to provide updated money guidance to help consumers make better credit choices and manage credit commitments more effectively. This will include targeted engagement to develop resources that will enable trusted intermediaries, partners and employers to deliver money guidance to consumers, including at times when credit decisions must be made as a result of key life events.

### Evidence and the national context

Research commissioned by MaPS<sup>56</sup> shows that people in the struggling and squeezed segments often pay too much for the credit they use. This increases their long-term reliance on credit and their use of credit for essentials. In some cases, there are affordable credit options that they are not aware of or do not use. They would therefore benefit from appropriate guidance on choosing credit. In addition, many customers accrue problem debt because they do not seek help with their credit commitments early enough.

Helping customers choose the credit products that suit their financial needs and profile will help ensure that borrowers are paying the best price for the most appropriate forms of credit. And if customers receive guidance on managing credit commitments, they will be aware of how to avoid escalating costs that lead to the use of credit for everyday bills.

MaPS' money guidance data shows that few consumers proactively seek money guidance before making credit decisions or to manage credit commitments, so it will be important to drive such guidance out to consumers through trusted intermediaries, partners and employers to have the maximum reach.

### Towards impact at scale in England

- MaPS will update guidance on choosing and managing credit as part of money guidance customer journeys to reflect people's needs at different life stages and when they're experiencing changes in their circumstances. MaPS will also analyse the findings from its community pathfinder projects on how to work with trusted intermediaries to reach people with credit guidance.
- MaPS will use the findings from this research to improve content on choosing and managing credit in money guidance customer journeys.
- MaPS will share guidance through stakeholder engagement channels and develop appropriate resources for trusted intermediaries and partners to use to reach consumers with guidance on choosing and managing credit.

### Leaders, partners and the delivery of change in England

MaPS will work with trusted intermediaries, partners and employers to reach more people with this guidance.

## Integration of income maximisation and money guidance

### Who it will help

This activity will help people on low incomes who are likely to use credit for everyday essentials. It will particularly help those who are not currently claiming their full benefit or grant entitlement or who could secure better tariffs for essential bills<sup>57</sup>.

### The delivery activity

The aim is to integrate income maximisation into money guidance customer journeys and debt advice to ensure that customers maximise their potential income from sources such as benefits and grants, as well as securing the best value from utility and other bills. This should reduce the need for low-income households to use credit for everyday essentials.

### Evidence and the national context

Research<sup>58</sup> into the use of credit for everyday essentials found that people on low incomes are twice as likely to use credit for food and bills. Income maximisation, a form of money guidance that ensures that people are receiving all the entitlements, such as benefits and grants, can help some people to increase their income, and enables them to reduce living costs by, for example, securing better utility tariffs. Again, this will reduce their reliance on credit to pay essential bills.

### Towards impact at scale in England

- MaPS will carry out a comprehensive review of current income maximisation guidance.
- In late 2021 MaPS will scope and deliver enhanced income maximisation content as part of money guidance customer journeys.
- In England, MaPS will work with the debt advice sector to understand how to create more consistent income maximisation money guidance as part of debt advice sessions.

### Leaders, partners and the delivery of change in England

At a UK level, MaPS will work with Income Max, a specialist income maximisation agency, the debt advice sector and other money guidance providers.

<sup>57</sup> University of Bristol (September 2020) Why adults regularly use credit for food and bills: a review. Available at: <http://www.bristol.ac.uk/geography/research/pfrc/themes/credit-debt/using-credit-for-food-and-bills-review>

<sup>58</sup> Ibid.

## Increase awareness of and access to affordable credit products

### Who it will help

The aim is to give people on the lowest income better access to credit that is fair and reasonably priced. This will ensure overall credit commitments are more affordable, and will increase disposable incomes and reduce the use of credit for everyday bills.

The Gender Challenge Group also identified young women as being at particular risk of paying too much for the credit they use. This activity will ensure we target this sub-consumer group.

### The delivery activity

MaPS wants to improve market insights about people who could benefit from community finance credit products in order to inform communications and marketing activity that will raise awareness of the sector. The activity will also build on existing good practice in the sector with the aim of creating seamless customer journeys between mainstream and community finance providers at the point of mainstream credit refusal. It will also create improved customer journeys between community finance providers and other support services, helping customers to access the advice, guidance and products that best match their circumstances.

### Evidence and the national context

The current size of the community finance borrowing market represents a small proportion of its potential reach (around 5% to 10% depending on which part of the market is being compared). There is consensus in the sector that low awareness and visibility are hampering take-up.

Instead, many consumers are choosing high-cost credit products for a range of reasons including familiarity, ease of access and the fact that these products are highly promoted commercially.

Increasing awareness of and building stronger referral routes to community finance, supported by access to debt advice and money guidance, will help ensure that more customers can access credit at a price that is affordable to them. This should reduce the risk of ongoing use of credit for everyday essentials, as well as providing access to services that can facilitate better overall control of finances.

### Towards impact at scale in England

- MaPS will review its online and telephone customer journeys to create tailored guidance that will increase awareness of affordable credit.
- MaPS will gather insight as part of its Adult Financial Wellbeing Survey in 2021.
- Fair4All Finance will commission market research to identify the target market and explore the most effective ways of reaching these groups.
- MaPS will develop a strategy to work more closely with the community finance sector to ensure that potential customers are referred to debt advice and money services where appropriate.
- Fair4All Finance will scale the community finance sector by delivering long-term capital to fund growth, in the form of equity investments, grants and debt funding.
- Fair4All Finance will develop growth capability in the sector including leadership, marketing, operational excellence and technology.
- Fair4All Finance will develop routes to market for affordable credit through communities, the workplace and housing associations, and explore referral routes from mainstream providers to community finance.

### Leaders, partners and the delivery of change in England

Fair4All Finance and MaPS will lead the elements of this activity most relevant to them and engage other partners and stakeholders as appropriate.

## Developing creditor standards for people with mental health problems

### Who it will help

This activity will support people with mental health problems in squeezed and struggling households who rely on the use of credit for essentials, and those who struggle to access affordable credit products.

### The delivery activity

Following the development of creditor standards for consumers with mental health problems between 2020 and 2022, this activity will improve creditor sector engagement and support for vulnerable consumers through:

1. Evidence-based standards guidance for creditors on supporting people with mental health problems
2. Guidance for the money advice sector on creditor standards
3. A public awareness campaign about creditor standards
4. The adoption of a standards approach to support accessible-by-design principles to be taken forward by stakeholder organisations

### Evidence and the national context

This activity embeds and builds on the following recommendation endorsed by MaPS in October 2020: “MaPS will support the Money and Mental Health Policy Institute (MMHPI) to craft good-practice accessibility standards for creditors. This work will be informed by the MMHPI’s existing financial services accessibility standards expertise, and draw on findings from the recent Help Along The Way research report, funded by MaPS.”

A 2019 report (The Mental Health Premium) from Citizens Advice found “essential markets aren’t working for people with mental health problems<sup>59</sup>. Where poor mental health reduces someone’s ability to carry out daily activities, they can incur costs of £1,100 – £1,550 each year as a result of inaccessible services, poor regulatory protections and inadequate support”.

According to the MaPS 2018 Financial Capability Survey, people experiencing mental health problems are over three times more likely than others to use credit for everyday bills<sup>60</sup>. People with self-reported mental health problems are also four times more likely than others to need debt advice.

### Towards impact at scale in England

The further development of creditor standards for people with mental health problems, along with supporting information for creditors, money and debt advisers and consumers, will be undertaken with full regard to the UK-wide and nation-specific contexts.

This will be rolled out across the creditor, money and debt advice sectors, and awareness will be raised among consumers across the regions of England with the participation of key stakeholders and partners.

### Leaders, partners and the delivery of change in England

The Money and Mental Health Policy Institute is committed to leading this activity with support from MaPS and the wider credit, money and debt advice sectors, building on work undertaken with the Lending Standards Board on their Standards of Lending Practice for Personal Customers.

59 Citizens Advice (2019) The Mental Health Premium. Available at: <https://www.citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/consumer-policy-research/consumer-policy-research/the-mental-health-premium>

60 Money and Pensions Service (2018) Financial Capability Survey. Available at: <https://www.maps.org.uk/wp-content/uploads/2021/03/financial-capability-survey-2018-technical-report.pdf>



## Guidance and support to help customers manage essential bills

### Who it will help

This activity will support people who are at risk of using, or who are already using, credit to pay for everyday essentials such as food and bills. In particular, it is designed to help the first two of the Use of Credit consumer groups<sup>61</sup>.

### The delivery activity

The aim is to help financially vulnerable people manage their financial commitments through targeted help from essential bill creditors. This will make it easier for low-income consumers to manage bills as a result of market and regulatory improvements. It builds on existing approaches already adopted by regulators, trade bodies and suppliers.

### Evidence and the national context

Essential bill creditors already have a range of tools, mechanisms and approaches for supporting vulnerable customers. This activity will enhance and integrate these through the creation of a central online hub through which customers can flag vulnerability, enter income and expenditure data and apply for support. This will enable creditors to perform a needs assessment according to an agreed framework and offer tailored support including best tariffs, flexible bill payment and proportionate debt recovery.

The support offered to vulnerable customers by essential bill creditors is voluntary, so the introduction of regulatory requirements may be necessary if this voluntary support proves insufficient. These requirements might relate to identifying vulnerable customers, signposting to debt and income maximisation advice, offering social tariffs and discounts, and promoting best-value product options.

More detail on this approach has been developed by Citizens Advice in England<sup>62</sup>.

### Towards impact at scale in England

- Citizens Advice is working with partners, regulators and industry to support broader collaboration and joined-up initiatives.

### Leaders, partners and the delivery of change in England

Led by Citizens Advice, this initiative is currently being explored at an England level. Other partners include MaPS, the FCA, the Information Commissioner's Office, Government Digital Service, essential services regulators and national governments.

61 University of Bristol (September 2020) Why adults regularly use credit for food and bills: a review. Available via: <http://www.bristol.ac.uk/geography/research/pfrc/themes/credit-debt/using-credit-for-food-and-bills-review>

62 Citizens Advice (October 2020) Getting support to those who need it: How to improve consumer support in essential services. Available at: <https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Final%20-%20modernising%20consumer%20support%20in%20essential%20markets.pdf>

## Expenditure smoothing to avoid the use of credit for essential costs

### Who it will help

This activity is primarily aimed at people in the struggling, making do and squeezed segments.

### The delivery activity

Rent-flex is a scheme designed to help tenants make flexible payments into their rent account in a way that works for them – in effect, paying more some weeks than others.

This is intended to avoid the use of credit by smoothing household expenditure across the year, taking account of periods of reduced income or increased outgoings.

Similarly, council tax smoothing offers people the opportunity to avoid council tax costs in the months they struggle, so they do not have to resort to credit.

### Evidence and the national context

The Centre for Responsible Credit (CfRC) and partner organisations are piloting rent-flex in the social housing sector to smooth out housing costs across the year and avoid the use of credit at times of income or expenditure pressures. They are also exploring the potential to roll this out to the private rented sector and other household bills.

The Local Government Association (LGA) is also exploring the potential to profile council tax payments across the year in a way that meets individual needs.

### Towards impact at scale

- The CfRC and Housing Associations' Charitable Trust (HACT) will work with Optivo housing association to deliver the rent-flex pilot.
- CfRC will explore the potential for further funding and partnerships with other housing associations.
- MaPS will continue to liaise with the CfRC over progress on the pilot.
- MaPS will work with the LGA in relation to council tax.
- A CfRC pilot evaluation will consider options for extending to other essential bills.

### Leaders, partners and the delivery of change

At a UK level, the lead partner is the CfRC, funded by Innovate UK, and in partnership with Optivo and the Housing Associations' Charitable Trust. The LGA is a key partner in relation to council tax. MaPS does not have a formal role but has an interest in the outcome of the pilot.

## Maximise the benefits of new legal developments

### Who it will help

The Breathing Space scheme will provide protection for people who are facing problem debt or are at risk of defaulting on debt repayments. Breathing Space also offers those receiving mental health crisis treatment a route to the scheme's protections for the duration of their treatment plus a further 30 days.

This activity will help to align the debt and credit sectors to find sustainable solutions that help people repay their debts over an agreed and reasonable timeframe.

### The delivery activity

Launched on 4 May 2021, Breathing Space is a period during which someone in problem debt is given respite from creditor action. The statutory debt repayment plan (SDRP) is a statutory agreement to repay debts to a manageable timetable and with legal protections from creditor action. It will be launched in 2024.

### Evidence and the national context

Once someone seeks debt advice, they are less likely to sink into a cycle of debt, and their creditors receive higher repayments and spend less on recovery costs.

However, not enough people who could benefit from debt advice currently access support, and many of those who do access debt advice would benefit from accessing it earlier.

By protecting debtors from creditor action, Breathing Space will allow people the time and space to fully engage with professional debt advisers to identify a positive and sustainable solution to their problem debt.

The SDRP will offer an alternative way of repaying debt in full over a sustainable period, and the plan offers a way to both improve finances and improve returns to creditors<sup>63</sup>.

### Towards impact at scale in England

- From October 2018 to January 2019, HMT consulted on the policy proposal for Breathing Space.
- The response to the consultation was published in June 2019, laying out more details on the policy and proposed next steps.
- The Breathing Space scheme launched on 4 May 2021.
- The SDRP will be implemented to a longer timetable and the government aims to lay regulations by the end of 2022.
- The policy only applies in England and Wales, but there may be further opportunities for sharing information and best practice on statutory solutions across the whole of the UK.

### Leaders, partners and the delivery of change in England

HMT owns and will sponsor the Breathing Space and SDRP policy, with MaPS, the wider debt sector and the Insolvency Service leading the development of the implementation plans. Other key stakeholders will be engaged as required as the programme develops.

63 HMT (June 2019) Breathing space scheme: response to policy proposal. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/810058/\\_\\_\\_\\_17June\\_CLEAN\\_response.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810058/____17June_CLEAN_response.pdf)

## Ensure a broader range of referral partners

### Who it will help

Over-indebted people are more likely to be young, have children, rent, have a low income or be disabled, and there are also higher levels of debt in ethnic minority communities (as an aggregated cohort and in specific communities). There is a great diversity of circumstances, with some common underlying attitudes. Broadening the range of referral partners and trusted intermediaries will improve the experience of more people in desperate need of the right debt advice for them<sup>64</sup>.

### The delivery activity

This delivery activity will enhance the visibility and effectiveness of the debt advice sector within the wider advice and support ecosystem. It will review and improve relationships and redefine how and when organisations refer people for debt advice and then how the debt advice industry refers people to other specialist advice sectors to ensure they get the rounded, holistic support they need.

### Evidence and the national context

The debt landscape is complex due to the fragmented nature of provision and there being multiple entry points. People struggle to understand the services that are offered and how they differ, including which are free<sup>65</sup>. Seamless and efficient referrals and a clear delineation of responsibilities between sectors and providers will have a positive impact on consumer experience.

Referrals from trusted, influential sources could reach people at key moments, and previous research suggests that referrals from employers, GPs and children's centres could be particularly impactful<sup>66</sup>.

There are also certain groups who typically have worse outcomes, including people with mental health problems, those lacking confidence in written/spoken English and those lacking confidence in understanding financial information<sup>67</sup>. A slicker referrals process and better use of trusted intermediaries such as local community groups can have a positive impact on people most in need.

### Towards impact at scale in England

- As well as being bound by the public sector equality duty (PSED), MaPS has a statutory responsibility to support the most vulnerable. Both will be recognised and reflected in how we commission debt advice, both now and in the future.

- Through this, and building on the learning from the Welsh Government's Single Advice Fund, MaPS will provide leadership and help the sector to improve the provision of support to people in vulnerable circumstances and ethnic minority groups by continuing to build the evidence base for a review of the funding and commissioning process, whether the current grant and contracts model supports a broader range of referral partners and any other process or decision point that affects the outcomes for these target groups.
- The Challenge Group and the broader sector are committed to the principle, but the detail of what needs to change and an agreement on how to deliver have to be discussed further. MaPS will facilitate these discussions in 2021/22.

### Leaders, partners and the delivery of change in England

MaPS will own and deliver this activity, working with the wider debt sector, financial services and government to understand and document the pain points and areas of improvement before codesigning solutions to enhance the end-to-end customer experience.

64 Money and Pensions Service (2021) Debt Needs Survey (forthcoming)

65 The Money Advice Service (2018) Evidence review for debt advice commissioning. Available at: <https://maps.org.uk/wp-content/uploads/2021/03/evidence-review-for-debt-advice-commissioning-july-2018.pdf>

66 The Money Advice Service (2015) Debt Interventions Research (unpublished)

67 Ibid

# Retirement planning hub

## Who it will help

The hub will help adults of all ages to prepare and plan for retirement and later life by supporting them at every stage of their pensions journey with bite-sized, actionable guidance tailored to their personal circumstances. The hub will be developed using inclusive-by-design principles and will cater for non-linear lives.

## The delivery activity

Using best practices of partners and industry, MaPS will develop a retirement planning hub to provide consumers with information and tools to plan for retirement and later life.

## Evidence and the national context

*“A quarter of people aged 55 and over and who are retired say they do not know the size of their pension savings. Eight in ten people with a defined contribution (DC) pension have not given much thought to how much they should be paying into it to maintain a reasonable standard of living when they retire<sup>68</sup>.”*

In 2018 the Adult Financial Capability Survey found that a distinct lack of confidence in planning for the future is widespread across the working population. For example, 66% of 18–24-year-olds, 64% of working-age women and, alarmingly, 48% of those approaching retirement age (55–64) feel they don’t understand enough. Confidence varies slightly by segment, but at least half of each segment feel they don’t understand – for example, 60% of Struggling and 58% of Squeezed.

The retirement planning hub will help to build confidence and understanding for all people across the UK by giving them access to clear, jargon-free guidance on how to prepare for later life.

## Towards impact at scale in across the UK

- In 2021 MaPS allocated subject matter experts to develop customer and digital tool strategies. These experts will work with customers using a codesign test and learn approach to content, and with industry and partners on a distribution strategy for the hub.
- The retirement planning hub will complement the pensions dashboard and is linked to MaPS’ strategy to transform pension guidance over the next decade.
- A full launch is planned for 2023. Before then, MaPS will work with employers and other stakeholders to promote the hub as part of a wider stakeholder engagement strategy.

## Leaders, partners and the delivery of change in England

MaPS will coordinate with financial services companies and employers to support the development and launch of the hub.

## Mid-life MOT

### Who it will help

The mid-life MOT is a tool/guidance to encourage people to engage with later-life planning through a holistic assessment of their health, finance and skills. This is considered crucial in the face of an ageing population where, despite increases to the State Pension age, large numbers of over-50s continue to exit the labour market prematurely.

A number of trailblazing employers have recognised the benefits of a mid-life MOT and are facilitating them for their staff. The government wants to broaden the MOT's reach and establish it as a widely available resource that is supported by employers of all sizes.

### The delivery activity

The DWP has convened a Mid-Life MOT Board, chaired by the Pensions Minister and including MaPS, pension providers and industry. Working closely with the DWP, MaPS will develop mid-life MOT guidance related to the financial pillar, targeted at the over-40s. This initiative will use learnings from existing initiatives, and MaPS will provide bite-sized actionable guidance on finances, signposting to specialist guidance where appropriate. This will form part of the financial pillar of the MOT, and will sit alongside the two other pillars, which relate to health and work.

### Evidence and the national context

There are c18 million people across the UK in mid-life (aged 40–66) – a quarter of the population. 10 million of them will turn 55 this decade and could access their pension savings.

Historically, over-50s are at a higher risk of experiencing persistent long-term unemployment and worklessness compared to younger age groups. This means that without early and targeted employment, careers and skills support they are unlikely to return to the labour market and are at an increased risk of pensioner poverty.

In 2017 John Cridland's independent review of State Pension age recommended that a mid-life MOT could help people navigate complex financial decisions relating to retirement<sup>69</sup>. It has also been singled out as a potentially useful tool by think tanks and numerous government departments, especially considering that by the time people reach retirement age it can often be much harder to offer guidance or advice that can have an impact.

### Towards impact at scale across the UK

- In June 2021 the Minister for Pensions (MfP) convened the inaugural mid-life MOT Board, which has convened a working group for the development of action points. MaPS will take responsibility for developing content on finances, based on the four key design principles set by the Challenge Groups.
  - Simple jargon-free, educational content
  - Complementary – incorporating existing government and industry initiatives
  - Pace – using a test and learn approach followed by low-cost implementation and maintenance
  - Accessible and inclusive by design, co-created and delivered with partners
- The launch will be planned in partnership with the DWP, financial services, pension providers, employers and other stakeholders.
- The MaPS partnerships team will work with employers and employer membership bodies to raise awareness of the mid-life MOT.

### Leaders, partners and the delivery of change

The development of the MOT will be led by the DWP and supported by MaPS and partners from the financial services sector including Aviva and Legal & General. The launch will then be supported by multiple employers engaged through the MaPS partnerships team.

# Financial wellbeing guidance for people in later life and retirement

## Who it will help

The aim is to help people aged 60+ to plan for all aspects of financial wellbeing related to later life. This will include support relating to retirement decisions, pension scams, power of attorney, wills, economic abuse and signposting to specialist guidance. This holistic later-life content will be designed inclusively to reflect the needs of different groups, be adapted for positive outcomes for all genders, and take account of the digital skills and digital access of the target audience.

## The delivery activity

Working with partners and informed by research, MaPS will coordinate the collation of existing guidance and support in broad thematic areas including pensions, retirement decisions, power of attorney, economic abuse and long-term care to provide financial wellbeing guidance on the complex decisions needed to plan for later life. The guidance will then be made available via the hub and other key channels.

## Evidence and the national context

Given the complexity of retirement decisions, particularly since the introduction of pension freedoms, many people find it difficult to make choices that will best meet their needs over the course of later life.

Retirement decisions are now, in the main, not a once and done thing. Deciding how to access pensions is often influenced by investments that need monitoring and assessing over the course of a person's life, with carefully considered actions to ensure a satisfactory outcome when the individual retires. We know that many factors, including cognitive ageing, can make taking these actions and decisions in later life difficult.

The listening phase of the UK strategy programme identified that standardised, simple and consumer-focused language in communications would help improve understanding and engagement, and that more tailored and personalised (digital) guidance could help consumers make effective decisions.

*"...people can struggle to engage at all with aspects of retirement planning such as thinking about their pension or thinking about long-term care; and ... put off making decisions or make decisions that are not fully thought through ... can store up problems for the future."<sup>70</sup>*

## Towards impact at scale in across the UK

- In 2021 MaPS will undertake research to develop digital later-life guidance, and learnings will be taken forward from 2022 onwards to create an omni-channel guidance proposition that can be delivered through others to reach people where they are, instead of expecting them to come to MaPS.
- The MaPS partnerships team will work with employers and others to encourage take up of later-life guidance signposting the most useful information to help with good decision making, and to support the older working population and the government's 50 PLUS: Choices strategy.
- Financial services, partners and other stakeholders will raise awareness of the later-life guidance available.

## Leaders, partners and the delivery of change across the UK

MaPS will coordinate and work with organisations such as Age UK and the Centre for Ageing Better, financial services and government agencies to ensure financial guidance in later life meets the specific circumstances of those most in need across the UK.

## APPENDIX D: Challenge Group members

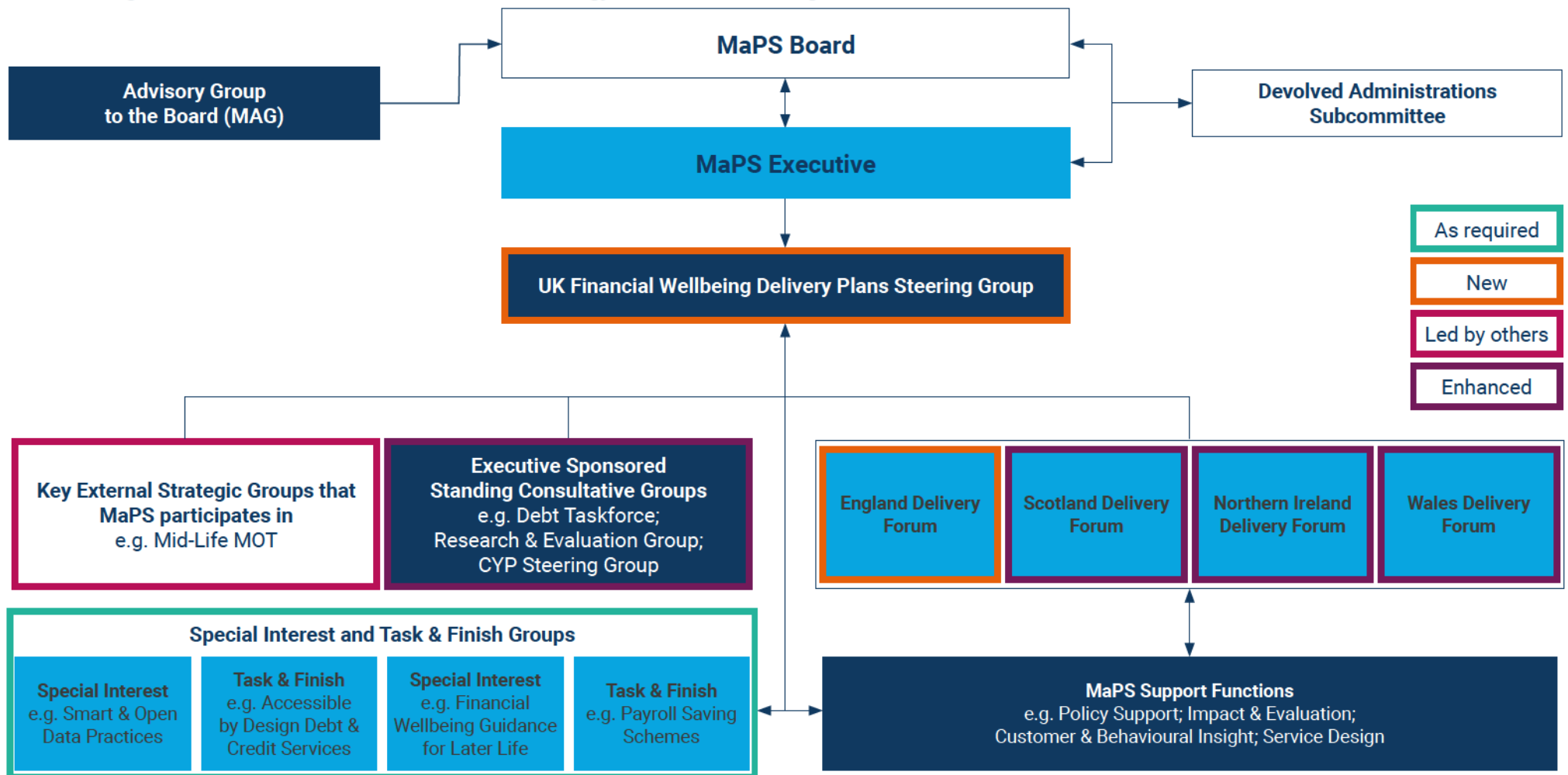
ABCUL	Cera	Finance Innovation Lab	Mind	Principality Building Society	Support in Mind Scotland
ABI	Chwarae Teg	Financial Inclusion Commission	MindWise NI	Provident Financial	Surviving Economic Abuse
ACE Credit Union Services	Citizens Advice	Generational Wealth Management	Money A+E	PSHE Association	The Consumer Council
Advice NI	Cleo AI	GEO	Money Advice Scotland	Public Health England	The Investing and Saving Alliance
Advice Services Alliance	Commissioner for Older People NI	GOFCoE	Money Advice Trust	PwC	The Pensions Regulator
AdviceUK	Co-operative Group	Good Things Foundation	Money and Mental Health Policy Institute	Quietroom	The Wisdom Council
Age Scotland	Credit Kudos	Gregory Pennington	Monzo	Responsible Finance	Toynbee Hall
Age UK	Credit Services Association	Hafal Wales	MyBnk	Rethink Mental Illness and Mental Health UK	Travis Perkins
Asda	DCMS	Hays	NatWest Group	Reward & Employee Benefits Association	TUC
Aviva	Department for Communities NI	HMRC	National Advice Network Wales	Royal College of Psychiatrists	Turn2us
B Lab UK	DigitalAgenda	HMT	National Association of Head Teachers	RSA	UK Asian Business Council
Barclaycard	DWP	HSBC	Nationwide	Santander	UK Finance
Barclays	Experian	IncomeMax	Nest	Scottish League of Credit Unions	UK Youth
Behavioural Insights Team	EY	Ipsos MORI	NHS England	Scottish Widows	Welsh Government
Black Girl Finance	Fair Money Advice	Irish League of Credit Unions	NS&I	Scotwest Credit Union	Wessex Water
BlackRock	Fair4All Finance	Irwin Mitchell	Older People's Commissioner for Wales	Smart Pension	Yorkshire Building Society
BraveGoose	FCA	Just Group	PayPlan	Split The Bills	Young Enterprise
Building Societies Association	Federation of Small Businesses	Leeds Credit Union	Pensions Policy Institute	Starling Bank	Young Enterprise NI (YENI)
Capital Credit Union	Finance & Leasing Association	Legal & General	PLSA	StepChange	Young Scot
Carnegie UK Trust		Lloyds Banking Group			Youth Access
Centre for Ageing Better		Lowell			Youth Leads UK
Centre for Responsible Credit					



## APPENDIX E: The stakeholder coordination model

MaPS has a statutory responsibility under the Financial Guidance and Claims Act 2018<sup>71</sup> to “develop and coordinate a national strategy”, the UK Strategy for Financial Wellbeing. This appendix sets out how MaPS intends to coordinate the delivery of the UK Strategy for Financial Wellbeing, as set out within the national delivery plans.

### MaPS working with others to coordinate and deliver the UK Strategy for Financial Wellbeing



71 Financial Guidance and Claims Act 2018. Available at: <https://www.legislation.gov.uk/ukpga/2018/10/section/3?view=plain>

MaPS' role as coordinator of the UK Strategy for Financial Wellbeing can be broken down into three key areas that will form the basis for how the ongoing programme is governed.

1. **MaPS Board:** The Board are accountable for coordinating the UK strategy and will track and oversee progress towards the five national goals. The Board will be advised by the Devolved Administrations Subcommittee, which includes officials from the Scottish Government, Welsh Government and Northern Ireland Executive, and the MaPS Advisory Group comprising senior stakeholders from a range of backgrounds and sectors.
2. **Stakeholder collaboration and delivery forums:** Coordination and collaboration across sectors and organisations will be key to achieving the five National goals, and to creating and sustaining a broader financial wellbeing movement.

MaPS will coordinate delivery of the four national plans through new and established forums and stakeholder groupings.

- In Scotland, Wales and Northern Ireland, MaPS already works closely with the Devolved Administrations on financial wellbeing initiatives, and has well-established forums. These strategic forums will be evolved to focus on the delivery of the key initiatives in each national plan.
- In England, MaPS will establish and chair a new forum to oversee and coordinate delivery of this plan to improve financial wellbeing across the country. It will also continue to build regional stakeholder communities and partnerships across England, working together to create shared plans for improving financial wellbeing at a local level.
- The four forums will feed into a new Delivery Plans Steering Group, which is tasked with tracking progress towards the UK goals.

Additionally, time-bound task-specific delivery groups will be set up to drive forward initiatives and activities set out within this plan. These groups will be self-managed and will report progress to the appropriate national delivery forum(s) or the Delivery Plans Steering Group as required.

3. **Digital hub:** Achieving our shared vision of everyone making the most of their money and pensions will require many thousands of organisations – large and small – to play their part. It needs to be as easy as possible to get involved, to access high-quality resources and tools that are proven to make a difference to people's lives, and to become part of a national conversation about improving.

To help achieve this level of engagement, MaPS will build a new digital hub for partners across the UK, providing a range of content, such as:

- data and insights to help partners understand levels of national, regional and local need
- regular horizon-scanning exercises, looking at innovation and insights from across the sector and beyond
- resources and tools that partners can use to provide help and support to the people they reach and serve
- evidence of what works to improve financial wellbeing, and tools for running evaluations
- a space to collaborate and share ideas and experience as a growing community.

## APPENDIX F: Emerging evidence of the impact of Covid-19 on financial wellbeing

At the very end of 2020 and early in 2021, MaPS commissioned five evidence reviews looking at the impact of Covid-19 on each of the national goals. The evidence presented below gives a snapshot of the situation at this point in time, just before, and in the early weeks of the 2021 lockdown<sup>72</sup>.

- GDP and employment have fallen, and Universal Credit claimants have risen<sup>73</sup>, while aggregate savings have increased<sup>74</sup>. Between March and October 2020 households repaid £15.6 billion of consumer credit<sup>75</sup>.
- The FCA estimated that one in three (31%) suffered a drop in their household income between March and October 2020. By far the hardest hit have been the self-employed and younger working-age adults<sup>76</sup>.
- Many people have struggled to enter, or re-enter, the job market, with half a million 18–24 year-olds unemployed in the three months to October 2020<sup>77</sup>.
- Our reviews found that people working in retail or hospitality, those on variable income or in insecure employment, or who have had to give up or reduce work to take up caring responsibilities, have been particularly exposed. These groups are disproportionately represented among young people, those from ethnic minority communities, and those with children – especially women and single parents<sup>78</sup>.
- Some households are increasingly falling behind on their bills and loans. The Institute for Public Policy Research (IPPR) identified that one in ten households were behind on

their bills prior to the pandemic. During the crisis, people surveyed said there was, on average, a one in seven chance of them not being able to pay their usual bills<sup>79</sup>.

- StepChange noted that a personal debt crisis is emerging. By September 2020, 1.2 million people were experiencing severe problem debt<sup>80</sup>. This has almost doubled since the beginning of the pandemic. Moreover, the number who fell behind on essentials, or who borrowed to make ends meet, had increased from 4.6 to 5.6 million.

Furthermore, in 2021 UCL reported in their Covid-19 social study that around one in four people have consistently reported being concerned about finances since the start of the new year. These concerns remain highest among adults of working age (18–59 years), and just over 1 in 3 in this age group are worried about finances (18–29 years: 32.7% and 30–59 years: 34.7%). Unemployment and financial stress are still higher in those living with children compared with those who do not live with children<sup>81</sup>.

The financial wellbeing initiatives included in this plan are aligned with the government's Build Back Better policy and, more specifically, will be a core part of the Creating Opportunities workstream of the Build Back Fairer campaign, first put forward by the Marmot Review. The objective of Build Back Fairer is "To help all consumers and partners to change the way they think about and handle their money and pensions, empowering them to make the right financial decisions for them, and enabling a lifetime of financial wellbeing"<sup>82</sup>.

72 Money and Pensions Service (May 2021) The impact of Covid-19 on financial wellbeing. Available at: <https://moneyandpensionservice.org.uk/2021/05/27/impact-of-covid-19-on-financial-wellbeing>

73 DWP (December 2020) Universal Credit statistics. Available at: <https://www.gov.uk/government/statistics/universal-credit-statistics-29-april-2013-to-8-october-2020/universal-credit-statistics-29-april-2013-to-8-october-2020#starts-on-uc-header>

74 Bank of England (November 2020) Money and Credit statistics. Available at: <https://www.bankofengland.co.uk/statistics/money-and-credit/2020/october-2020>

75 Bank of England (November 2020) Money and Credit statistics. Available at: <https://www.bankofengland.co.uk/statistics/money-and-credit/2020/october-2020>

76 FCA (February 2021) Financial Lives Survey. Available at: <https://www.fca.org.uk/publication/research/financial-lives-survey-2020.pdf>

77 ONS (2020) Labour market statistics. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/previousReleases>

78 Money and Pensions Service (May 2021) The impact of Covid-19 on financial wellbeing. Available at: <https://moneyandpensionservice.org.uk/2021/05/27/impact-of-covid-19-on-financial-wellbeing>

79 Institute for Public Policy Research (November 2020) Winter Covid debt warning: young people, ethnic minorities, and renters at most financial risk. Available at: <https://www.ippr.org/news-and-media/press-releases/winter-covid-debt-warning-young-people-ethnic-minorities-and-renters-at-most-financial-risk>

80 StepChange (November 2020) Tackling the coronavirus personal debt crisis. Available at: <https://www.stepchange.org/Portals/0/assets/pdf/tackling-the-coronavirus-personal-debt-crisis.pdf>

81 UCL COVID-19 Social Study reports. Available at: <https://www.covidsocialstudy.org/results>

82 Institute of Health Equity (December 2020) Build Back Fairer: The COVID-19 Marmot Review. Available at: <https://www.instituteoftheequity.org/resources-reports/build-back-fairer-the-covid-19-marmot-review>

In 2021 MaPS also undertook a rapid literature review with a focus on the impact of Covid-19 on diverse ethnic communities. While this research was not published, the information was used to inform the prioritisation of the delivery activities and the creation of this plan. The key findings and reference material are as follows.

■ **“Economic and social inequalities vary by ethnic group; they are more significant for Black, Bangladeshi and Pakistani groups, and less so for Indian and Chinese groups”<sup>83</sup>.**

- White British tend to fare best in terms of household wealth, higher employment rates and income.
- Some ethnic minorities experience disproportionately low employment rates, over-representation in low-pay sectors and pay gaps (as well as in poor treatment at work), and there is a lack of diversity in senior and board positions<sup>84</sup>.
  - Unemployment data published by the government in January 2021 indicates that Black, Bangladeshi and Pakistani people had the highest unemployment rate out of all ethnic groups. (Data measuring the number and percentage of people in England, Scotland and Wales who are unemployed)<sup>85</sup>
- Similarly, according to the Centre for Social Justice analysis of Annual Population Survey data, the Bangladeshi/Pakistani group (aggregated) continue to have the poorest employment rates of all ethnic groups analysed<sup>86</sup>.
- Black African, Bangladeshi and Pakistani people are still the most likely to live in poverty and deprivation, and – given the damaging effects of poverty on education, work and health – families can become locked into disadvantage for generations<sup>87</sup>.

■ **Covid-19 impact**

- Ethnic minorities were 2.2 times more likely to report being behind with their bills than their white counterparts during the Covid-19 lockdown<sup>88</sup>.
- Self-employment, especially prevalent among Bangladeshis and Pakistanis, also increased people’s susceptibility to financial and economic difficulties related to Covid-19.
- Bangladeshis, Black Caribbeans and Black Africans also have the most limited savings to provide a financial buffer if laid off. Only around 30% live in households with enough to cover one month of income<sup>89</sup>.
- A study by Mind in England and Wales for adults over 25 suggests “existing inequalities in housing, employment, finances and other issues have had a greater impact on the mental health of people from different Black, Asian and Ethnic Minority (BAME) groups than white people during the coronavirus pandemic”<sup>90</sup>.
- The need for advice is likely to be higher among minority ethnic communities as well. The same Mind survey highlights “respondents who identified as BAME were more likely than those who identified as white to need advice about money and benefits (40% vs 24%) and housing (19% vs 10%) to help manage their mental health”.

83 The Runnymede Trust (2020) The Colour of Money. Available at: <https://www.runnymedetrust.org/uploads/publications/pdfs/2020%20reports/The%20Colour%20of%20Money%20Report.pdf>

84 Equality and Human Rights Commission (May 2016) Strategic Plan 2016–19. Available at: [https://www.equalityhumanrights.com/sites/default/files/strategic\\_plan\\_-\\_web\\_accessible.pdf](https://www.equalityhumanrights.com/sites/default/files/strategic_plan_-_web_accessible.pdf)

85 UK government (August 2021) Ethnicity facts and figures: Unemployment. Available at: <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/unemployment-and-economic-inactivity/unemployment/latest>

86 The Centre for Social Justice (November 2020) Facing the Facts: Ethnicity and Disadvantage in Britain. Available at: <https://www.centreforsocialjustice.org.uk/wp-content/uploads/2020/11/CSJJ8513-Ethnicity-Poverty-Report-FINAL.pdf>

87 The Equality and Human Rights Commission (June 2019) Is Britain Fairer? Available at: <https://www.equalityhumanrights.com/sites/default/files/is-britain-fairer-accessible.pdf>

88 Yang Hu (August 2020) Intersecting ethnic and native-migrant inequalities in the economic impact of the COVID-19 pandemic in the UK. Available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7351056>

89 Institute for Fiscal Studies (May 2020) Are some ethnic groups more vulnerable to COVID-19 than others? Available at: <https://ifs.org.uk/inequality/wp-content/uploads/2020/04/Are-some-ethnic-groups-more-vulnerable-to-COVID-19-than-others-V2-IFS-Briefing-Note.pdf>

90 Mind (2020) The mental health emergency: how has the coronavirus pandemic impacted our mental health. Available at: <https://www.mind.org.uk/news-campaigns/news/existing-inequalities-have-made-mental-health-of-bame-groups-worse-during-pandemic-says-mind>



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