

# UK Strategy for Financial Wellbeing

Delivery Plan for England



Money &  
Pensions  
Service

## Who is this document for?

From pocket money to pensions, this document is for all organisations with an interest in supporting or improving the financial wellbeing of people across the UK. This delivery plan and the equivalent versions in Scotland, Wales and Northern Ireland provide context and background information and details of how organisations with wellbeing programmes, as well as those who aspire to do more, can work together on impactful financial wellbeing activities that will help people in need, especially the most vulnerable.

- **EMPLOYERS:** all different types of employer, from microbusinesses to multinationals, across all sectors and their representative organisations and trade bodies
- **LIFELONG LEARNING:** formal and informal education providers, parents, care givers and other educational support services
- **ORGANISATIONS FOCUSED ON INDIVIDUAL AND COMMUNITY WELLBEING:** community and special interest groups, the health system, charities, housing associations, advice agencies and community groups
- **CREDITORS & THE FINANCIAL SERVICES SECTOR:** funders, providers and innovators
- **THINKERS & DECISION MAKERS:** policy makers, influencers, regulators and funders. Local, regional, national and UK government and other decision makers

## About the Money and Pensions Service

The Money and Pensions Service (MaPS) is an arm's-length body, sponsored by the Department for Work and Pensions and funded by levies on both the financial services industry and pension schemes. MaPS helps people – particularly those most in need – to improve their financial wellbeing and build a better, more confident future.

Under the Financial Guidance and Claims Act 2018, MaPS is tasked with working with others, including financial services, devolved administrations, and the public and voluntary sectors, to develop and coordinate a national strategy to improve the financial capability of people and their ability to manage debt, and to improve the provision of financial education to children and young people. MaPS has written this delivery plan based on the input and ideas from multiple cross-industry stakeholders across the UK and presents it as part of our coordination function.

As coordinator of the strategy, MaPS will encourage and enable others to lead initiatives, and contribute to projects led by others. MaPS will provide a reporting and governance framework and will continue to provide data and insights to support the identification and development of new ideas to improve financial wellbeing across the UK, with a focus on those most in need.

Like many other organisations, as a result of Covid-19, new Government priorities, and changes to annual budgets, MaPS was required to review the extent to which it can provide short-term support, lead initiatives and coordinate the strategy to ensure the right focus can be directed towards our core service delivery as the country recovers from the pandemic.

# Foreword by Sir Hector Sants

We know that financial wellbeing is good for individuals, regions, nations and society as a whole. Much like physical and mental wellbeing, there isn't one individual action that we can take to improve it, nor is MaPS – or any one organisation – able to make all the systemic changes needed. Instead, it requires a collaborative approach, working with partners and stakeholders, to change people's relationship with their money and pensions and develop the products, skills and confidence they need to feel more in control of their financial futures.

MaPS' role, as set out in the Financial Guidance and Claims Act 2018 under which we were established, is to coordinate a national strategy to improve the financial capability of members of the public and their ability to manage debt, and to improve the provision of financial education to children and young people.

For me, this means bringing together in one place a simple, clear set of common goals for financial wellbeing, identifying the actions needed and providing a structure around which these can be understood and their impacts measured. We did this when we published the UK's first Strategy for Financial Wellbeing in January 2020.

But this was just the first step – in the months that followed we established the Challenge Groups, comprising 140 representatives of the many thousands of organisations, across the UK, that have the potential to improve people's financial wellbeing. Despite the difficulties presented by the pandemic and everyone's very busy schedules, it was reassuring to see the priority given by our partners to the strategy and the development of the delivery plans, including this one for England, which show how we will collectively translate the goals and ambitions set out in the strategy into tangible actions.

The development of this delivery plan was a truly collaborative effort, and I would like to thank everyone who contributed to the Challenge Groups for their ideas, openness and commitment throughout a very difficult 2020 and 2021. I would specifically like to thank the independent Chairs of the Challenge Groups for their leadership throughout the process and for helping to steer the process and the quality of the input and discussion in the groups. And, of course, the MaPS team, for bringing it all together. I am aware that the need to ensure stakeholder views have been fully taken into account, along with impact of Covid-19, has unfortunately meant the publication of this plan has taken longer than we had hoped. However, I believe the pandemic has underlined the importance of our national goals; and I would ask that all our partners take the opportunity of the publication of the plans to ensure that support for this agenda remains a top priority.

**Sir Hector Sants**  
**Chair, Money and Pensions Service**



# Introduction to the delivery plan for England

## by our Chief Executive, Caroline Siarkiewicz

Financial wellbeing is about feeling secure and in control. It is about making the most of your money day to day, dealing with the unexpected, and being on track for a healthy financial future. In short: financially resilient, confident and empowered.

*We are confident that this plan will significantly increase the financial wellbeing of people across England and aims to specifically help those most in need of support including those in vulnerable financial circumstances.*

According to MaPS research, poor financial wellbeing affecting tens of millions of people is holding the UK back. 11.5 million people have less than £100 in savings to fall back on. 9 million people often borrow to buy food or pay bills. 22 million people say they don't know enough to plan for their retirement. And 5.3 million children do not get a meaningful financial education.<sup>1</sup> The UK Strategy for Financial Wellbeing introduced five agendas for change and set national goals while acknowledging that it would take considerable effort from the private sector, government and the third sector to improve the financial wellbeing of people across the UK by 2030. The strategy commits to prioritising those most in need, especially those most vulnerable to financial insecurity, and we have worked with organisations and experts across the UK to understand the needs of people and the barriers to financial wellbeing that we must address to help more people make the most out of their money and pensions.

The publication of the strategy coincided with the start of the Covid-19 pandemic and there is still work to do to truly understand the short, medium and long-term impact on people's personal finances. However, what the pandemic made clear is that too many people do not have enough financial resilience and that there is no doubt about the links between financial wellbeing and people's physical and mental health.



This delivery plan for England will outline the key sector-wide activities that are required for us to achieve the national goals together. The financial wellbeing context in England is described in Chapter 1 and lays out the challenges we face, and the opportunities presented by the strategy. Our collective aim is to achieve or exceed all the national goals over the next ten years and to improve the financial wellbeing of millions of people, especially those most in need. MaPS has a key role to coordinate the implementation of the strategy, but it will take a united effort from government, the private sector and charities to achieve this.

Chapter 2 provides an update on how the Covid-19 pandemic impacted our work, including some data, insight and information on certain crisis response measures started in parallel to the writing of this plan, and how they will help people most affected by Covid-19.

<sup>1</sup> Unless otherwise stated, all data and statistics in this plan are taken from the UK Strategy for Financial Wellbeing (January 2020) or the Adult Financial Capability Survey (February 2019), which is available at <https://moneyandpensionsservice.org.uk/2019/02/06/adult-financial-capability-building-the-financial-capability-of-uk-adults-survey>

| CRISIS RESPONSE measures <sup>2</sup>   | Delivery activities to support RECOVERY <sup>3</sup>  | Strategy Review & re-prioritisation - 2023/24 | Ideas and initiatives that FOCUS ON THE FUTURE   |
|---|---|---|--|
| <p>2020–2021</p> <p>Activities and initiatives <b>already in place</b> as a response to Covid-19 that aim to help people through the effects of the pandemic</p> <p>See Chapter 2</p> | <p>2021–2023</p> <p>The key delivery activities for the next 24–36 months that will help us <b>build back better</b> from the pandemic and <b>lay strong foundations</b> for an improvement in financial wellbeing</p> <p>See Chapter 3</p> |   | <p>2024–2030</p> <p>Innovations and new projects that will help us achieve or exceed the national goals by 2030</p> <p>See Chapter 4</p> |

The recovery phase delivery activities set out in Chapter 3 are the focus for this document and describe how we can help those most in need and vulnerable groups. A reference table for all these activities is in the Executive Summary, and more detail on each one is provided in Appendix B.

The Recovery Phase covers the next 24–36 months and represents the key commitments and immediate priorities for the sector to focus on. However, the strategy covers the next 9 years and Chapter 4 describes how we also need to focus on the future and includes the initiatives, possible innovations, research and trials that will help us achieve sustainable change by 2030. A reference table of these activities, including foundation work that needs to be started now, is included in the Executive Summary.

Responsibility for leading and driving these activities will be shared by key partners with a common purpose for improving financial wellbeing across the UK. MaPS’ main role is to convene and orchestrate the strategy. Success will be determined by partners taking the lead, collaborating with each other, co-creating new initiatives and inspiring others to contribute. For example, the Financial Services sector taking the initiative to create a savings charter to collectively drive up the number of regular savers, or employers and employer groups learning from each other and implementing best practice to support an improvement in their workers’ financial wellbeing.

Furthermore, the success of the financial wellbeing strategy and this delivery plan will depend on how well we work together and how existing delivery mechanisms and systems can be leveraged, including:

- facilitating new or improved delivery coordination between money guidance and the health and social care system to ensure people with money and health problems get the right mix of support for them
- engaging workers and their families through their employers
- learning from and utilising existing networks, systems or community groups to access the consumers who are most in need.

MaPS will also act as a focal point for reporting the impact that the collective efforts of all partners are having on the goals. In addition to regular industry surveys, Chapter 5 describes how we will monitor progress against the goals and the indicators we will base this on.

During the activation phase the levels of engagement, innovation, desire for collaboration and passion for financial wellbeing have been truly inspiring. We hope that this will continue, and that this delivery plan will act as a catalyst for a multi-sector movement that promotes financial wellbeing, generates new ideas and helps people, especially those most in need, to feel more confident about their personal finances and to build healthy financial lives.

**Caroline Siarkiewicz**



<sup>2</sup> The crisis response measures are based on 13 key recommendations published by the Independent Challenge Group Chairs in October 2020 that could be implemented quickly to ease pressures and help people rebuild their financial resilience after Covid-19.

<sup>3</sup> Some of the delivery activities described in this section have already been initiated but the full impact is yet to be realised.

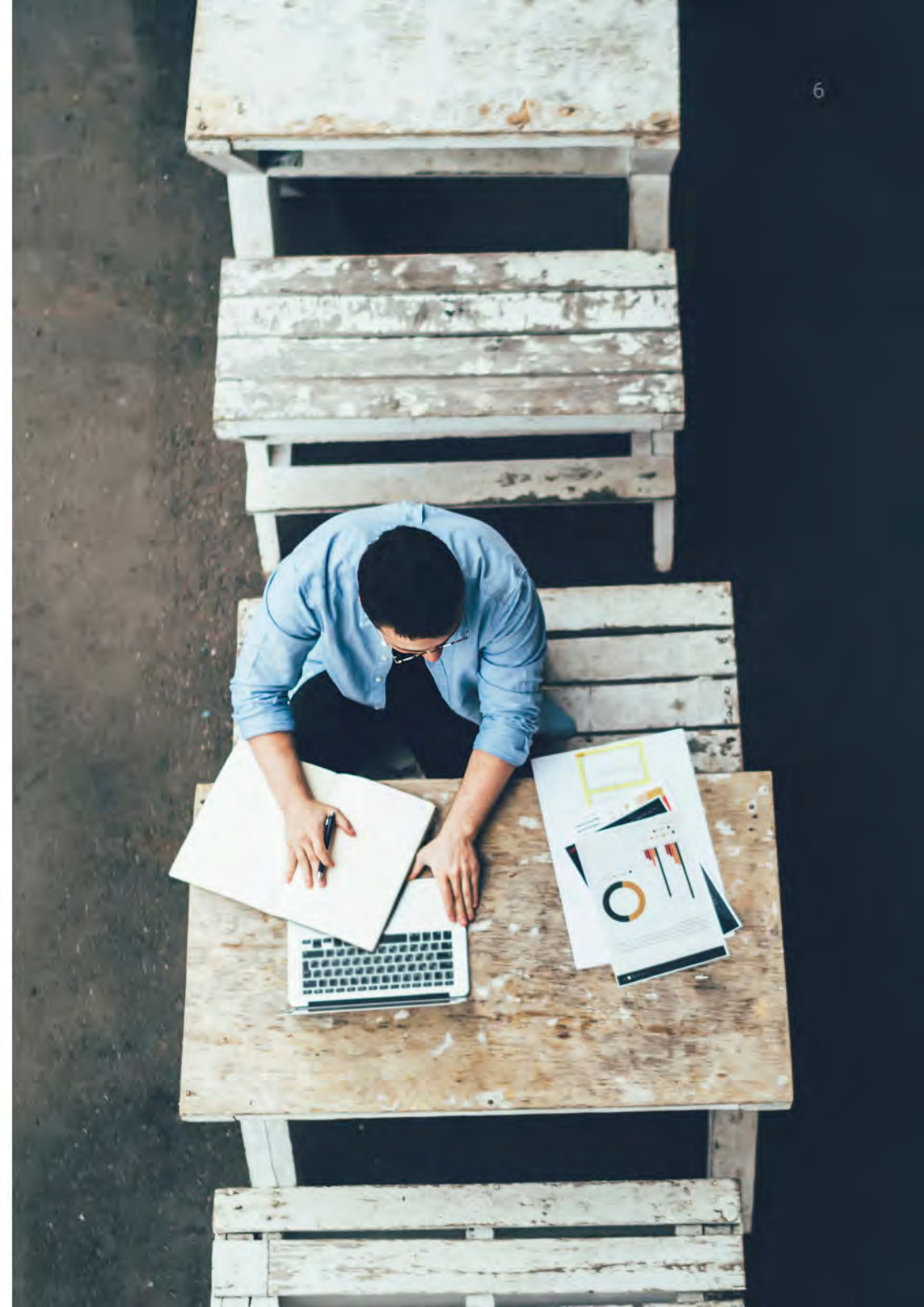
## Executive summary

This delivery plan for England and the equivalent documents covering Scotland, Wales and Northern Ireland are the culmination of a year-long strategy activation phase that included analysis and collaboration with a broad array of policy experts, regulators, product developers, leaders and many others with a passion for improving financial wellbeing across the UK.

During the activation phase MaPS convened 11 Challenge Groups to interrogate each agenda for change and, despite the effects of the Covid-19 pandemic, the 145 participants delivered over 130 recommendations to MaPS to consider and prioritise. These recommendations ranged from policy interventions and regulation change to new products and services, or identified gaps in our knowledge that require more research.

Since receiving the recommendations from the Challenge Group Chairs, MaPS has been working with government, our advisory groups and others to prioritise and bring together all the rich input from the Challenge Group process and beyond into this plan.

The plan sets out the priorities that, if implemented, the MaPS Board believe will significantly transform financial wellbeing across the UK so that in the near future everyone will be able to make the most of their money and pensions.



Recovery Phase delivery activities: the immediate priorities for each agenda for change

| Agenda for change     | Activity  | Estimated number of people in England positively impacted over the lifetime of the strategy | Summary  | Target date | Leadership and key contributors  |
|-----------------------|---|---|--|-------------|--|
| Financial Foundations | Digitise Talk Learn Do (TLD) content  | 300k to 400k  | Scope and engage a digital agency to create and publish TLD content digitally  | 2022        | MaPS will coordinate with parenting stakeholders, community and practitioner groups and membership organisations   |
|                       | Expand TLD content to teenagers   |   | Build business case, scope and co-create new content through cross-industry collaborative design workshops   | 2022        | MaPS will coordinate a coalition of parenting stakeholders and the youth and financial education sector  |
|                       | Scale up teacher training   | 400k to 450k  | Following publication of the findings from the Wales Pathfinder (Spring 2022), launch England version by the end of 2022 with teacher training to commence in Spring 2023, ready for evaluation and next steps planning by Autumn 2024.  | 2024        | DfE, higher education institutions, teacher training providers and teaching schools will provide leadership with MaPS in a supportive, coordinating role   |
|                       | Support for practitioners working with vulnerable children  | 50k to 75k  | DfE will support MaPS to build a network of funders and contributors from across financial services and the third sector (2021/22). MaPS to build business case, scope and engage partners (2021). Initial package of support developed for roll out (Spring 2022).  | 2022        | DfE and MaPS will coordinate financial services and the third sector to fund and deliver specialist support  |
| Nation of Savers      | Promote opt-in payroll saving schemes and develop case for alternatives   | 600k to 900k  | Financial services and employers, with MaPS coordination and support, will target a significant increase in voluntary take-up of existing opt-in payroll saving schemes (2021/22) and will trial and build the evidence base for opt-out schemes (2022/23)   | 2023        | Through ongoing field trials to build evidence for opt-in payroll saving schemes, the financial services sector, assisted by MaPS, will promote expansion of such schemes to many more employers. MaPS will also continue to trial new options and innovations for opt-out schemes |
|                       | Financial services sector to co-create a savings charter to encourage regular saving                                  | 800k to 1.3m  | Develop draft of savings charter, test with wider sector and plan launch and combined messaging on the benefits of regular saving  | 2022        | A representative mix of financial services providers to develop the first draft of charter and engage more partners  |
|                       | Maximise the take-up of Help to Save and ensure consumers understand their savings choices once their account matures | 130k to 200k  | HMRC, HMT and MaPS to engage employers, social landlords and others to promote Help to Save (to 2023) and encourage ongoing savings in successor accounts (to 2027) while MaPS works with financial services to build the case for a wider choice of commercial reward-based and other prize-linked saving schemes | 2023–2027   | HMRC administers Help to Save on behalf of HMT. MaPS' role is to engage employers and financial services to encourage take-up and to promote future innovations.   |

| Agenda for change         | Activity   | Estimated number of people in England positively impacted over the lifetime of the strategy | Summary  | Target date | Leadership and key contributors   |
|---------------------------|--|---|--|-------------|---|
| <b>Credit Counts</b>      | Development of income maximisation and improved money guidance to help people choose and manage credit | 150k to 250k  | MaPS will work with IncomeMax and other stakeholders to create new guidance on income maximisation, and also create new customer journeys to help people make good borrowing choices and manage credit commitments (2022)  | 2022/23     | MaPS will work with IncomeMax, the debt advice sector and other money guidance providers  |
|                           | Increase awareness of and access to community finance credit products                                  | 200k to 400k  | Using insights from Adult FinCap Survey (2021) and new Fair4All Finance market research, review and improve customer journeys and referral mechanisms for groups who could benefit from community finance products and services (2022)   | 2022/23     | Fair4All Finance, supported by MaPS and others, will improve market insights, build on best practice and improve customer journeys to encourage access to community finance products  |
|                           | Develop creditor standards for those with mental health issues   | 150k to 250k  | Following the development of creditor standards for consumers with mental health problems (from 2020) improve creditor sector engagement and support for vulnerable consumers (2022)   | 2022        | Money and Mental Health Policy Institute will lead with support from MaPS and the wider credit and money and debt advice sector   |
|                           | Work with essential bill creditors to allow people to avoid use of credit                              | 450k to 650k  | Help financially vulnerable people to manage their commitments through targeted help from essential bill creditors, building on existing work from regulators, trade bodies and suppliers  | 2022/23     | Citizens Advice will lead with support from MaPS, FCA, the Information Commissioner's Office, Government Digital Service and essential services regulators  |
|                           | Expenditure smoothing to avoid use of credit for essential costs                                       | 150k to 250k <sup>4</sup>   | Further research and development of products and services to support people whose income or outgoings fluctuate over the course of a year  | 2022/23     | Centre for Responsible Credit (CfRC) is leading a consortium, including the Housing Associations' Charitable Trust, to further develop the rent-flex solution for the social housing sector. The Local Government Association is examining the options for council tax smoothing. |
| <b>Better Debt Advice</b> | Support implementation of Breathing Space, including Mental Health Access Mechanism (MHAM)             | 600k to 750k  | In May 2021 the new Breathing Space launched. HMT supported by MaPS and others will continue to promote Breathing Space to ensure the maximum strategic benefits are realised for creditors, the debt sector and consumers and that the MHAM is effective in supporting people with mental health problems | 2021+       | HMT owns and sponsors the Breathing Space and SDRP policy with support from MaPS, the wider debt sector, the Insolvency Service and others  |
|                           | Broaden debt advice referral partners  | 250k to 300k  | MaPS will convene sector-wide conversations to examine how the debt advice sector refers people to other specialist advice sectors to ensure they get the rounded, holistic support they need (2022)   | 2022        | MaPS will be supported by the wider debt sector, financial services and government  |

4 Estimate provided by Centre for Responsible Credit



| Agenda for change    | Activity   | Estimated number of people in England positively impacted over the lifetime of the strategy | Summary   | Target date | Leadership and key contributors  |
|----------------------|--|---|---|-------------|--|
| Future Focus         | Develop a retirement planning hub incorporating MaPS' pensions dashboard   | 2m to 3.5m  | The vision of the retirement planning hub is to support people with personalised guidance at every stage of their pension journey. Starting in 2021 and working with financial services and others, MaPS will develop content and distribution strategies using a test and learn approach.                    | 2022        | MaPS will liaise with government, regulators, financial services companies, trade bodies and employers to increase the reach and impact of the hub   |
|                      | Implement a mid-life MOT   | 750k to 1.75m   | In 2021 a working group will be convened to start to co-create a simple and accessible mid-life MOT incorporating three guidance pillars of finance, health and work  | 2022+       | Led by DWP and supported by partners including Aviva, Legal & General, Phoenix, the National Careers Service, Public Health England, the Financial Inclusion Centre and the British Chambers of Commerce   |
|                      | Produce holistic financial wellbeing guidance for later life including specific information for women and diverse ethnic communities | 450K to 800k  | With the support of others, MaPS will develop a holistic guidance service that covers all aspects of financial wellbeing related to later life. Learnings from this will be used to create an omni-channel guidance proposition that can be delivered through others to reach people where they seek support. | 2022+       | MaPS will coordinate and work with organisations for 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 |
| Cross-Cutting Themes | Develop and launch a digital hub for employers and partners  |   | In 2022 MaPS will start the development of a digital hub that will include a diagnostic tool and a 'moments that matter' analysis of financial product choices, and will act as a source of best-available evidence   | 2022+       | MaPS to lead the development of the hub and work with partners to provide and test best-practice information, support and guidance on financial wellbeing  |
|                      | This digital hub will include specific customer journeys supporting women in the workplace   | No estimates because of risk of double counting   | Specific guidance and customer journeys will be co-created and implemented on the digital hub to reflect the challenges and needs of women in the workplace   | 2022+       | MaPS to lead the development of the hub and work with partners including charities and employer groups to provide and test best-practice information, support and guidance on Financial Wellbeing  |
|                      | Develop and implement a Financial Wellbeing and Health Systems strategy  |   | MaPS will collaborate with NHS England social prescribing and psychological therapies teams to design, pilot and deliver financial wellbeing support through health systems   | 2021+       | MaPS, NHS England and the National Academy for Social Prescribing working with leading health service and community based mental health support services.  |
|                      | Money Guiders – developing skills, sharing understanding, improving lives  |   | In 2021 MaPS piloted Money Guiders – a programme to develop the skills and confidence of those who deliver money help to their customers, to increase capacity and to support diverse organisations across the UK in delivering money guidance well   | 2021        | MaPS to work with partners to build the business case to develop the pilot into a long-term, sustainable programme of work   |

**Focus on the Future: looking to the future and laying strong foundations**

This is the work MaPS will undertake or coordinate in order to lay the foundations for future activities.

**Financial Foundations**

- A parent-facing communications initiative to help parents and carers engage with their children in money matters
- Scope the development and delivery of a financial education hub
- Research into the impact on dependent children of parental money and mental health problems

**Nation of Savers**

- Research into the benefits of reward-based and prize-linked savings
- Research, including employer trials, into opt-out payroll saving schemes

**Credit Counts**

- Consumer research to understand how people make credit decisions
- Trial nudges that encourage consumers to manage credit commitments effectively
- Develop improved market practices to ensure access to affordable credit products
- Improve market practices through a combination of FCA policy focus on unsecured credit markets, work by Fair4All Finance to improve access to affordable credit, and Fair by Design's work to support low-cost insurance to protect consumers from life event shocks and avoid use of credit

**Better Debt Advice**

- Design, develop and pilot improved debt advice referrals for people with mental health problems
- Based on better data and insight and an industry-wide technology roadmap for debt advice, examine how customers will benefit from the use of smart and open data practices and codesign digital products and services to improve customer journeys
- Support the sector to review processes and the customer journey to promote earlier and better engagement and improved outcomes

**Future Focus**

- Work with others to understand how, through initiatives such as mid-life MOTs and later life guidance, we can change attitudes to ageing and encourage employers to support work and career opportunities for those aged 50+
- Embrace and utilise new technologies, best practice and innovation to enhance support for people planning their retirement
- MaPS will seek to remove barriers to engagement, ensuring that the tools we use to help people plan for their retirement will incorporate non-linear lives and be inclusive by design. We will work with industry to support the development of a common framework of bite-sized actions that will empower people to act, taking learnings from successful initiatives such as 5 A Day and Couch to 5K while ensuring common use of language.

**Cross-Cutting Themes**

- Research into the combined impact of money and mental health problems from the perspective of ethnic minority communities
- Continue to work with Surviving Economic Abuse, building on the pilot of the Economic Abuse Evidence Form, which MaPS co-sponsored

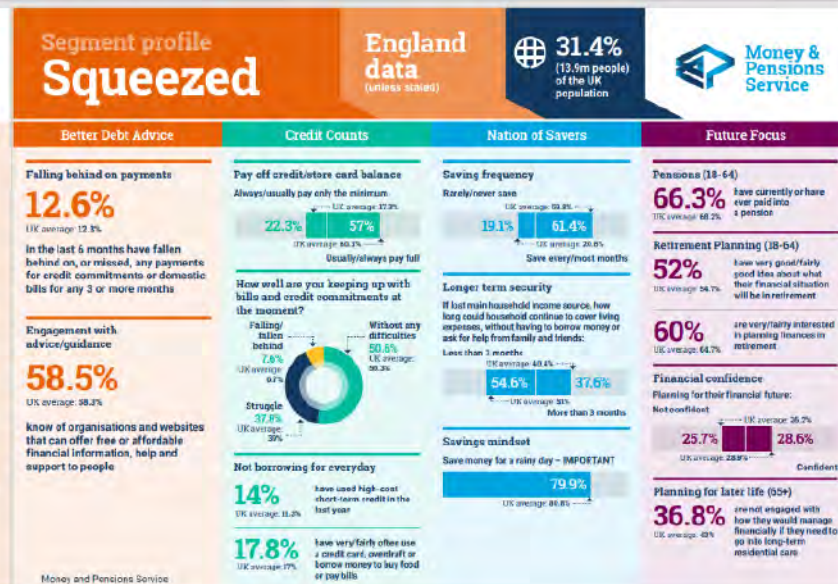
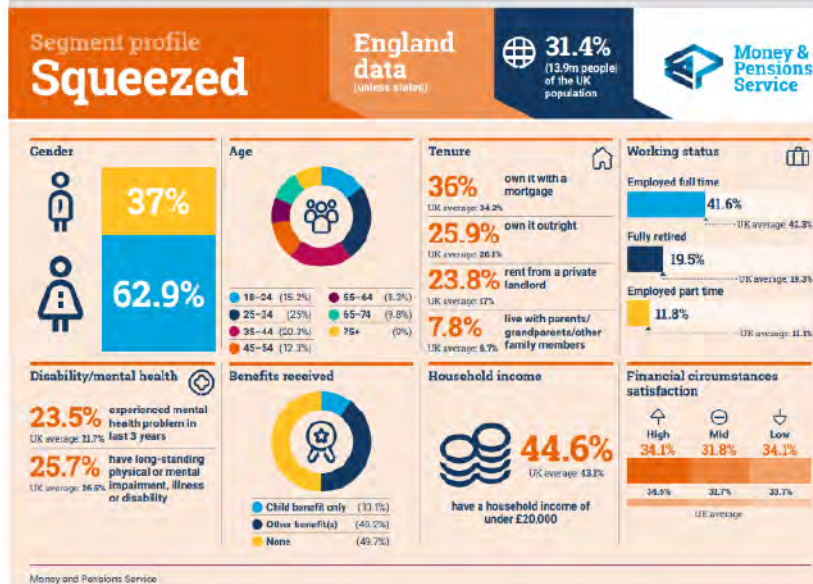
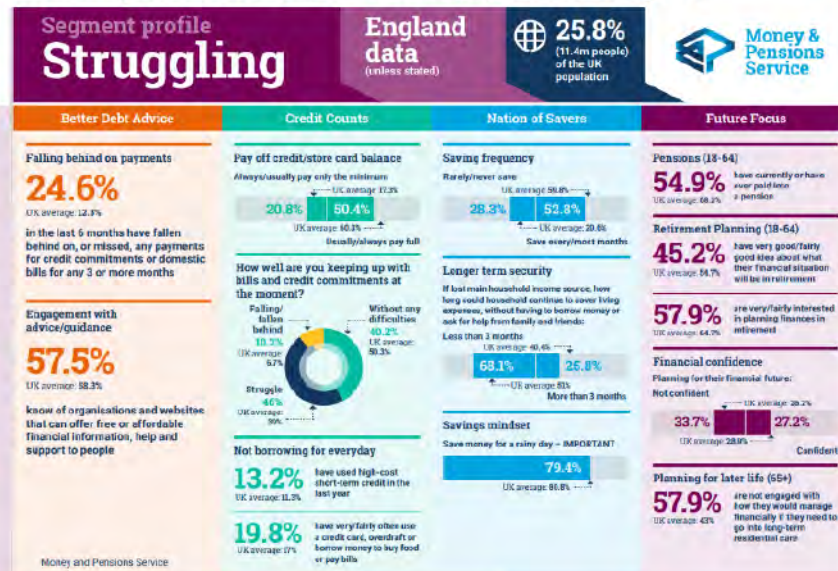
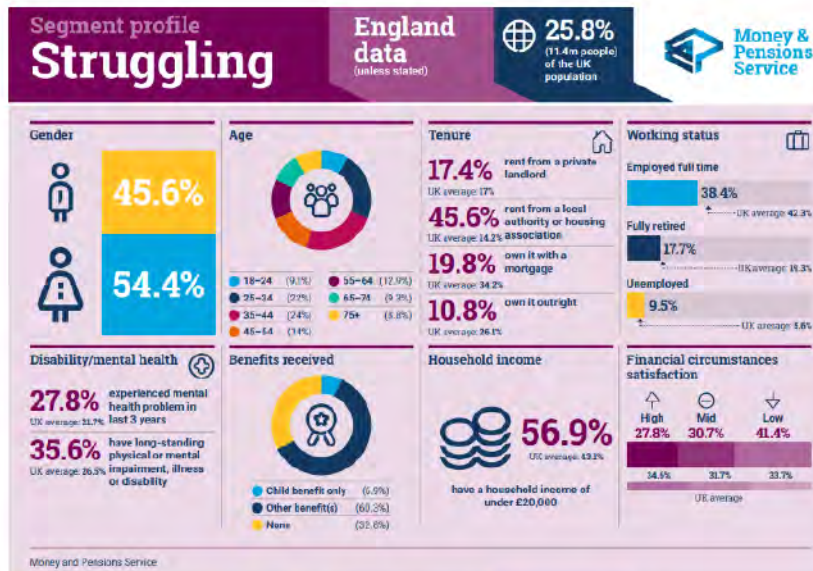


# CHAPTER 1

## Financial wellbeing in England

In this chapter we will outline the scale of the challenge and the key opportunities to meet the national goals and improve the financial lives of millions of people across England over the next 10 years.

To track financial wellbeing, MaPS categorises the population into three distinct segments: struggling, squeezed and cushioned. This delivery plan focuses predominantly (although not exclusively) on the struggling and squeezed segments which represent over 57% of the adult population in England.



# Financial Foundations

Financial education is any activity that helps children and young people develop the knowledge, skills and attitudes they need to manage their money well in later life. Anyone who looks after or works with a child or young person – at home, at school and in the community – can have a meaningful impact on their financial wellbeing. Financial education should respond to the individual needs of children and young people, and be tailored to their life stage, paying attention to the outcomes that are associated with good financial wellbeing. This includes children and young people in vulnerable circumstances, defined as those who, on average, experience factors that are linked to poorer financial capability and who are more likely to do less well than their peers.

According to the Children and Young People's Financial Capability Survey<sup>5</sup>, 47% of children in England are receiving a meaningful financial education; the UK figure is 48%. A meaningful financial education should provide a solid foundation as young people transition into adult life but there is a huge variation in how children in England receive financial education in both the home and school environments.

- 24% of children in England receive money regularly and have rules and responsibility for that money. This is higher for older children (29% aged 14 to 17 versus 21% of 7 to 11-year-olds).
- 37% of children recall receiving financial education in schools and 90% of them found it useful. Recall is higher (42%) among secondary school children (12 to 17-year-olds) compared to those at primary school (7 to 11-year-olds) where only 32% recalled their financial education.

5 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>

6 Young Enterprise APPG on Financial Education. Available at: <https://www.young-enterprise.org.uk/home/impact-policy/policy-hub/appg-on-financial-education>

## The barriers and the opportunities

In England, financial education is included in the secondary school curriculum through maths and citizenship, and schools are expected to deliver personal, social, health and economic (PSHE) education, including financial education. However, England's national curriculum only applies to schools maintained by local authorities while academies and free schools, making up 39% of schools and over half of all pupils (52%) in England, have the freedom to shape their own curriculum.

In July 2021 the APPG on Financial Education in Young People produced a report on primary age financial education, calling on the UK government, in partnership with MaPS, to set a goal to ensure every child at primary school receives a high-quality and effective financial education by 2030 and that financial education is placed on the national curriculum for primary schools and taught within PSHE and citizenship<sup>6</sup>.

The Covid-19 pandemic has had a major impact on children and young people and has revealed more than ever the need for firm foundations to support their future financial wellbeing and resilience. Disruption to school and college life and the challenges faced by key industries mean that there will have to be a concerted and joined-up effort to ensure children and young people gain the vital money skills they need.

Financial services are a leading contributor to this agenda for change. Through the levy payment and other strategic initiatives, the sector already invests heavily in financial education, and MaPS and UK Finance co-chair the Financial Education Working Group which aims to coordinate activity across the sector and channel funding into the areas of most need.

Insight into this area will be enhanced as the Department for Education (DfE) included questions on financial education in their June 2021 School Survey.

# Nation of Savers

Compared to the UK figure (57%), a similar percentage of working-age struggling and squeezed people in England save regularly (58%). Levels of regular saving are lower in one region of England, Yorkshire and Humber, and it's possible that social and economic factors, such as unemployment and house prices, are a strong factor.

Another important measure is the level of saving. At an all-England level, 21% of adults have less than £100 in savings and investments with 24% reporting they would need to borrow money to pay an unexpected bill of £300.

People dealing with problem debt and high-cost credit may be better off addressing their problem debt first, before considering short-term savings. It is also true that Covid-19 has had an impact and adds to the barriers affecting people's ability to prioritise long-term savings. People need help in understanding these trade-offs, and support in making the right decisions at key moments in their financial lives.

While Covid-19 outbreak plunged the UK into the deepest recession in 300 years, around a third of Britons (32%) say they've been able to save more since the pandemic began, which compares favourably to other nations in a recent YouGov report<sup>7</sup>. But the picture is mixed as three in ten people (31%) were forced to cut back on non-essential spending while one in six (16%) have had to rely on their savings to get by, and 7% have increased their debts.

## The barriers and the opportunities

Evidence suggests that people recognise that they should save and that there is a broad range of mainstream savings products available to help them do so.

Different people have different needs throughout their lives and understanding their motivations to save at these moments that matter is where the opportunities lie.

At the time of writing, the full impact of the Covid-19 pandemic on saving and savings levels is unknown, but evidence suggests that while overall levels of savings may have increased (due to a drop in expenditure), people at the bottom of the income distribution (likely to be in MaPS' struggling and squeezed segments) are much more likely to have had to run down their savings due to income variability and other pressures<sup>8</sup>. This may offer an opportunity to target lapsed savers – loosely defined as people who have had the savings habit and can be re-engaged in the process of saving.

The key measure of success is people saving what they can regularly, and so the UK Strategy steered away from setting a target savings amount to aiming for an increase in the number of regular savers. The delivery activities therefore focus on creating the right environment and access to products that will enable these people to save regularly.

<sup>7</sup> YouGov (July 2021) Global Survey. Available at: <https://yougov.co.uk/topics/finance/articles-reports/2021/06/22/global-survey-uk-has-highest-rate-pandemic-savers->

<sup>8</sup> Resolution Foundation (July 2021) (Wealth) Gap Year. Available at: <https://www.resolutionfoundation.org/publications/wealth-gap-year>

# Credit Counts

Currently 17% of people often use credit for food and bills in the UK, and this figure is 18% (7.9 million adults) in England.

Driven by the highest concentration of people paying rent and the highest proportion of 25 to 44-year-olds, London is the region with the biggest credit issue in England; 30% of adults regularly use credit for everyday food and bills, 26% are overdrawn on their current account and 24% had used short-term, high-cost credit in the past year. So while incomes may be higher in London once you adjust for housing costs, Londoners’ disposable income falls behind the South East, East and South West.

## Characteristics of consumer groups who use credit for everyday food and bills?<sup>9</sup>

| Overdraft only<br><i>3.3 million people (37%)</i>   | Two+ forms of borrowing<br><i>4 million people (42%)</i>  | Multiple forms of borrowing<br><i>2 million people (22%)</i>   |
|---|---|--|
| <ul style="list-style-type: none"> <li>Moderate income, older, female</li> <li>Try to repay credit cards</li> <li>Good numeracy (and budgeting)</li> <li>Typical credit balance of £700</li> <li>Very small savings buffer</li> </ul> | <ul style="list-style-type: none"> <li>Lower-income families, aged 25–44, full-time workers, rented home</li> <li>High use of retailer credit</li> <li>Lower numeracy</li> <li>Less than £500 in savings</li> <li>Typical credit balance of £2,000</li> </ul> | <ul style="list-style-type: none"> <li>Men with dependent children, homeowners, mental health issues, negative life events</li> <li>Use all forms of credit</li> <li>Very likely to miss payments</li> <li>Feel very confident managing money and using numbers but poor numeracy</li> <li>High levels of savings (£10k+)</li> <li>Typical credit balance of £4,000</li> </ul> |

## The barriers and the opportunities

At the heart of this agenda is the objective of moving people away from using credit in an unsustainable or problematic way.

The evidence shows that people on low incomes are twice as likely as those on higher incomes to use credit, particularly credit cards, to pay for food and other essentials. Furthermore, having low and unpredictable earnings can create distinct but related problems, meaning that expenditure demands do not always coincide with periods when sufficient income is available to meet them. Lower-income groups are also more likely to have low levels of savings, which then creates a need to use credit when a financial shock occurs, such as an unexpected bill or replacement of white goods. People on low incomes also often pay too much for the credit they use and have poor credit records or ‘thin’ credit files, which makes them unattractive to mainstream lenders and can steer them to use more expensive options such as high-cost, short-term credit that is often marketed in a way that understates the actual cost of repayments. The evidence suggests that many people do not manage credit sustainably, which again leads to repeat use of credit for essentials. This consumer group tends to resist seeking help to manage debt at an early stage, and have an optimism bias that leads to an underestimation of the problem and taking a short-term view of the cost of the credit they use.

2021 research by Plain Numbers and Clear Score identified significant opportunities to improve people’s understanding of the true cost of different credit options and therefore reduce the cost of credit<sup>10</sup>.

9 Bristol University (2020) Analysis of the ‘Credit Counts’ National Strategy Measure: Adult Financial Capability Survey 2018. Available at: <http://www.bristol.ac.uk/geography/research/pfrc/themes/credit-debt/credit-counts>

10 Plain Numbers Project (2021) Initial Trials Report. Available at: [https://static1.squarespace.com/static/5f7f7734f7e47f08bc961018/t/60dcd93f4e4c433c2bb05da5/1625086280079/Plain\\_Numbers\\_Research\\_Report.pdf](https://static1.squarespace.com/static/5f7f7734f7e47f08bc961018/t/60dcd93f4e4c433c2bb05da5/1625086280079/Plain_Numbers_Research_Report.pdf)

# Better Debt Advice

In line with the UK average, it is estimated that 32% of the people who needed debt advice in England accessed it. This equates to around 1.5 million out of 4.5 million adults or 10% of the total population.

## Building on strong foundations

This agenda for change benefited from the availability of extensive research and data on the sector, specifically the Target Operating Model (2018) from the Debt Advice Steering Group and the output of the Wyman Review of Debt Advice Funding

While there is considerable variance across the regions on the underlying causes of debt, it is consistently around 10% of the population in all regions who need debt advice and around one-third of those who access it.

The (relatively) low proportion accessing advice has tended to be a product of two main factors:

- The amount of supply available is significantly lower than the amount of need.
- Customers are unlikely to seek advice until they are in crisis. This is due to low awareness of what is available, fear of the consequences of seeking help, and stigma around debt problems leading people to put off dealing with them until they cannot avoid doing so.

## The barriers and the opportunities

The industry-wide Debt Advice Steering Group (DASG) convened a working group during the activation phase to focus on the short, medium, and long-term activities required to meet the national goal. The members represented all aspects of the debt advice industry and had a pre-existing and in-depth understanding of the barriers and opportunities that need to be addressed.

The pandemic has impacted levels of debt and the number of people in need of the right advice, including people who have fallen into debt quickly, unexpectedly and potentially for the first time. The full impact of the pandemic will not be known for some time but it has served to highlight the need for system-level change and improvement to ensure that the industry can deal with increased levels of debt and more people needing advice, and be able to flex and adapt to future shocks.

The additional investment made in the sector as a result of the Covid-19 pandemic has helped, but reaching the goal of an additional two million people accessing better debt advice by 2030 will only be achieved through the coming together of a variety of stakeholders and interwoven workstreams. Resources are not limitless, so while effective and sustainable funding is at the core of the programme, innovation and new delivery approaches must be rolled out to derive as much value as possible from the funds at our disposal. Most important of all, however, is the people in financial difficulty and debt being at the heart of the programme of work, ensuring we relentlessly pursue services that meet customer needs and provide good customer outcomes.

## The aims for the industry over the next ten years

- Deliver high-quality services that fill key gaps in provision for customers most in need and in vulnerable circumstances
- Improve customer journeys to provide a holistic service that creates efficiencies and simplifies the advice landscape for customers
- Implement ongoing improvements to embed a more efficient and effective delivery model built on a robust digital platform using new and innovative data techniques
- Attract and retain top talent and present debt advice as an appealing, aspirational profession with high levels of job satisfaction and employee wellbeing



# Future Focus

Just 20 million adults in England (45%) say they understand enough to plan for their retirement. While close to three quarters (73%) of working-age adults in England think it is important to put aside money for retirement, only 45% had acted over the previous 12 months to engage with their pension and 55% said they had not done very much or anything at all to plan their finances for retirement. Single mothers also face specific barriers to pension saving. The average pension savings for a single mother reaching retirement are worth £18,300 – 36% of the average woman’s savings of £51,000 and only 12% of the average man’s savings of £156,500<sup>11</sup>.

## Six key barriers affecting long-term saving levels

|                                    |  |
|------------------------------------|--|
| <b>Psychological / behavioural</b> | Present-bias means people tend to prioritise the present over the future and are less likely to plan more than seven years ahead.  |
| <b>Cultural</b>                    | Talking about money and pensions is not a social norm. People miss out on gaining useful information from peers or maintain misunderstandings because they are not comfortable asking questions. |
| <b>Accessibility</b>               | Pensions are generally considered to be inaccessible and use of jargon exacerbates this problem, as does the focus on traditional working practices in guidance and retirement planning tools.   |
| <b>Digital exclusion</b>           | There are socio-economic and national factors that have driven digital exclusion and made it more difficult for the affected groups to engage.   |
| <b>Trust</b>                       | Trust in financial services (as well as the state or employers) is often low, which can lead to an unwillingness to engage.  |
| <b>Socio-economic</b>              | Several factors have an impact on the affordability or appeal of pension saving, such as income level, gender, ethnicity and geographical location.  |

## The barriers and the opportunities

As well as the significant barriers to people understanding their pensions and being able to plan for retirement and later life, there is an evolving regulatory landscape that makes it harder for people to understand and keep their knowledge up to date.

Automatic enrolment has significantly increased participation and savings in workplace pension schemes but it does not require as much understanding of pensions or active decision making. In parallel, the introduction of pensions freedoms has meant that people are required to engage to understand all the complex options available to them and make the right decisions in order to access their savings for a healthy financial future.

These decisions are further complicated by the culture of moving from one job to another, so people are increasingly reaching retirement with multiple defined contribution pots and need to think about how these all interact as part of their planning for and in later life.

When pensions dashboards are introduced, people will be able to see information about all their pensions in one place. This innovation, coupled with jargon-free content and tools incorporating different working patterns, will help people make the key decisions needed to plan for retirement and later life.

Although auto-enrolment has been a great success, the current automatic enrolment criteria exclude certain workers, notably the self-employed, low earners, those working part-time and multiple job holders, of whom a high proportion are women. In recognition of this, the government’s 2017 automatic enrolment review recommended extending the reach of automatic enrolment legislation.

## Other important considerations

There is a well-established link between mental ill health and money problems, demonstrated by a body of evidence from a range of UK-based social and economic research. For example, a report by the Money and Mental Health Policy Institute<sup>12</sup> in 2019 found that people experiencing mental health problems are three and a half times more likely to be in problem debt than people without mental health problems.

Recent research by NOW: Pensions<sup>13</sup> and Scottish Widows<sup>14</sup> highlights the worsening situation for the financial resilience of women in England. By the time they reach their 60s, women's pension wealth is on average around £50,000, while men's pension wealth is near £150,000. More than half (58%) of women are concerned about running out of money in retirement, compared to 49% of men. These reports, and others, support the aims of the UK strategy to have specific interventions to improve the financial wellbeing of women.

MaPS and the Challenge Groups also looked more widely at the experience of other groups who may have poorer financial outcomes. The financial effects of the pandemic indicate that people from ethnic minority groups and people with disabilities are groups who have been particularly impacted. It is MaPS' intention to build the evidence base on the experiences of these groups in relation to financial wellbeing in order to develop future plans that will ensure our work on the five goals of the strategy address their needs.

Early indications are that while ethnicity alone is not an indicator of poor financial wellbeing, there is evidence of greater financial disadvantage in certain ethnic minority communities and the importance of frontline community partnerships and grassroots organisations to reach these communities with support.

As a public body, MaPS is committed to the Public Sector Equality Duty (PSED) to champion the principles of eliminating discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who do not, and to foster good relations between those with protected characteristics and those without them. As coordinator of the UK Strategy for Financial Wellbeing, MaPS will champion these principles with partners, suppliers and

our wider network to maintain the focus on equality and ensure that the different needs of all people and groups across the UK are front and centre in the codesign and delivery of financial wellbeing interventions, research and data gathering.

It is also important that we recognise other factors that may disadvantage people in relation to their financial wellbeing, such as digital exclusion. The Lloyds consumer digital index report<sup>15</sup> indicates that, despite significant increases as a result of the pandemic, an estimated 5% of the population were still offline and a further 29% had very low digital engagement in 2021. All the Challenge Groups recognised that this meant that some people would be unable to use or benefit from new products, online training or other digital-only interventions and that their recommendations needed to be balanced and inclusive for those who are digitally excluded. With many of the best products and services offered digitally, it is clear that digital and financial inclusion are now firmly aligned.

*“Financial wellbeing is a key part of overall wellbeing. Being less stressed about money makes people happier, healthier and more productive.”*

Councillor Joyce McCarty, Deputy Leader of Newcastle City Council, and the North of Tyne Combined Authority Cabinet Member for Employability and Inclusion



12 Holkar M. Money and Mental Health Policy Institute (2019) Mental Health Problems and financial difficulty. Derived from Adult Psychiatric Morbidity Survey 2014: covers England only.

13 NOW: Pensions (2020) Facing an unequal future: Closing the gender pensions gap. Available at: <https://www.nowpensions.com/app/uploads/2020/12/NP-gender-pensions-gap-report.pdf>

14 Scottish Widows (2020) Women and Retirement. Available at: <https://adviser.scottishwidows.co.uk/assets/literature/docs/2020-women-retirement-report.pdf>

15 Lloyds Bank (2021) UK Consumer Digital Index. Available at: [https://www.lloydsbank.com/assets/media/pdfs/banking\\_with\\_us/whats-happening/210513-lloyds-consumer-digital-index-2021-report.pdf](https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/210513-lloyds-consumer-digital-index-2021-report.pdf)



## **CHAPTER 2**

### Building financial wellbeing in light of Covid-19

## The impact of Covid-19 on financial wellbeing and an update on the crisis response

The Covid-19 crisis magnified many financial wellbeing challenges. To understand who has been affected, and how this could impact the Strategy's five goals, MaPS commissioned five separate rapid evidence reviews on financial education, saving, credit use, debt advice and pensions<sup>16</sup>. We found that the pandemic has not affected everyone in the same way, and that some of its impacts are contradictory.

For example, early in the pandemic many, including MaPS and its stakeholders, assumed that demand for debt advice would increase quickly and significantly. In fact, demand decreased. This was largely as a result of government policy interventions, including the Coronavirus Job Retention Scheme, payment deferrals and forbearance, which removed or postponed some of the usual triggers to seeking debt advice such as bailiffs and landlords taking action against people for unpaid debts or rent arrears. We know, however, that this means the need for debt advice has been delayed rather than resolved, so we anticipate demand to start rising during 2022 with potential to exceed pre-pandemic levels.

### What this means for the UK strategy goals

1. **Financial education:** Existing inequalities in education have been exposed and amplified. Financial education is at risk of being marginalised as the focus is on core subjects, behaviour and mental health. Parents and carers may be more open to financial education but they too are dealing with conflicting priorities.
2. **Saving:** The goal is focused on many of the same people who have, as a result of the pandemic, lost income or drawn down savings. There is a stated change in attitudes, however, particularly among younger people. It is too early to measure the impact of credit repayment, arrears and changes to the job market on this goal.
3. **Credit use:** While aggregate consumer borrowing fell during the pandemic, this was largely driven by higher-income consumers. However, the focus of this goal are people on lower or more variable incomes use credit for everyday essentials – the same people most impacted by the pandemic, including key workers, renters, lone parents, people with disabilities or poor mental health, or people from ethnic minorities.

4. **Debt advice:** If the expected increase in demand for debt advice materialises in 2022, early investments in digital and other remote channels will help. A particular challenge will be meeting the needs of the digitally excluded and those who have never needed debt advice before.
5. **Pensions:** The pandemic will have affected future planning and the amounts people are saving into pensions. Care must also be taken about the potential proliferation of scams or less than ideal investment decisions.

### The independent Challenge Group Chairs

The independent Challenge Group Chairs brought together by MaPS to lead the UK strategy Challenge Groups published an interim report in October 2020 focused on the priorities for an immediate crisis response, grouped into four themes plus a consumer-facing campaign to improve awareness of financial wellbeing. MaPS responded to these recommendations at the time<sup>17</sup>. The next two pages feature an update on this response.



<sup>16</sup> Money and Pensions Service (2021) Impact of Covid-19 on financial wellbeing. Available at: <https://moneyandpensionsservice.org.uk/2021/05/27/impact-of-covid-19-on-financial-wellbeing>

<sup>17</sup> Money and Pensions Service (2021) Building the UK's financial wellbeing in the light of Covid-19. Available at: <https://www.moneyandpensionsservice.org.uk/2020/11/16/building-the-uks-financial-wellbeing-in-the-light-of-covid-19>

|   |   |
|---|---|
| <p><b>1. Moments that matter</b></p> <p>People are often forced into thinking again about money at transitional moments and events in their lives. At the same time, the pressures they experience in these moments can divide their attention so that it is harder to make good decisions. And Covid-19 has put extra pressures – physical, financial and emotional – on everyone in the UK.</p> | <ul style="list-style-type: none"> <li>■ <b>Raising awareness of support and guidance:</b> In November 2020, Talk Money Week focused on Money SEcrets, aimed at encouraging people to open up about personal finance. 11m people reached.</li> <li>■ <b>Service delivery:</b> MaPS refocused services and channels, including a new Coronavirus hub (viewed more than 1 million times), Facebook group (11,000 participants), and online Money Navigator tool.</li> <li>■ <b>Holistic support:</b> Pensions guidance specialists trained and re-focused to help with money queries. Specialist pensions guidance in response to emerging scams and risks to pension savings.</li> </ul>   |
| <p><b>Moments that matter</b></p> <p>Young people have been identified as those hardest hit by the pandemic and will be living with the after-effects of the crisis longest of all. Increasing targeted support and guidance is more important now than ever before for this audience.</p>  | <ul style="list-style-type: none"> <li>■ <b>Parent/carer and child money conversations:</b> Public Health England now includes parent and teacher resources through its Every Mind Matters campaign, and NatWest Group and MaPS have partnered to offer Talk, Learn, Do content to NatWest employees and customers.</li> <li>■ <b>Rapid recovery challenge:</b> Jointly funded by NESTA, JP Morgan, DWP and MaPS, aimed at finding innovative solutions developed by fintech providers and charities that meet the employment and financial needs of low-income people aged 16+ most impacted by Covid-19.</li> <li>■ <b>Essential financial skills update:</b> In England, MaPS is investigating how to better embed financial capability and skills into further education and training settings including via the Kickstart Scheme and the newly developed DWP Youth Hubs.</li> </ul>  |
| <p><b>2. Vulnerable circumstances</b></p> <p>Covid-19 amplified the circumstances that were already causing vulnerability for millions of people and generated fresh vulnerabilities for many more.</p>   | <ul style="list-style-type: none"> <li>■ <b>FCA guidance:</b> Published in January 2021, providing a clearer picture of how financial services firms could and should better meet the needs of consumers in vulnerable circumstances<sup>18</sup>.</li> <li>■ <b>Money support resource:</b> Published in England by the National Academy for Social Prescribing, Mental Health UK and MaPS, a Mental Health and Money Toolkit<sup>19</sup> was distributed via the social prescribing network, with a Welsh language version published in February 2021 by the Welsh Government with Hafal and MaPS.</li> <li>■ <b>Economic Abuse Evidence Form:</b> 12-month pilot launched in late 2020 with creditors and credit reference agencies, including Lloyds Banking Group, HSBC and Cabot Financial. Money Advice Plus will use the form where victim-survivors have experienced at least one type of coerced debt.</li> <li>■ <b>Capacity and capability:</b> Launched Money Guiders pilot that aims to help organisations and practitioners deliver good quality money guidance to some of the most vulnerable people in the UK.</li> </ul> |

18 Financial Conduct Authority (2021) EG21/1: Guidance for firms on the fair treatment of vulnerable customers. Available at: [www.fca.org.uk](http://www.fca.org.uk)

19 Mental Health and Money Toolkit is available at: <https://www.mentalhealthandmoneyadvice.org/en/toolkit>

### 3. Credit and debt

Credit has been an important buffer to help people through difficult circumstances during the Covid-19 crisis. Unfortunately, over-indebtedness will be a consequence for many, especially for people who have suffered severe income drops or lost their jobs.

- **Mandatory guidance:** Published by the FCA for firms to support people struggling with consumer credit and mortgage payments, with payment deferrals to alleviate financial pressures. In November 2020 the FCA published Tailored Support guidance that encouraged firms to support people, including through payment arrangements, to enable them to pay off debts built up from forbearance<sup>20</sup>.
- **Woolard Review of Innovation and Change in the Unsecured Credit Market:** Commissioned by but independent of the FCA, this review was published in February 2021 and included a call for greater consistency in firms' application of forbearance.
- **DWP and HMT support package:** Joint announcement in June 2020 of £37.8 million to maintain and increase delivery of debt advice and money guidance in England. MaPS tasked with overseeing the allocation of funds. Additional monies were also obtained for Northern Ireland, Scotland and Wales.
- **Evidence reviews:** Being undertaken by MaPS with debt advice providers, creditors and other key stakeholders to build understanding of access to debt service and customers in persistent deficit budgets.
- **Debt and mental health:** Focus by Money and Mental Health Policy Institute and MaPS creditor and debt advice sector standards on working with people with mental health problems.

### 4. Recommendations for government

Governments across the UK have done extraordinary and impactful things to respond to the financial shocks of the Covid-19 crisis.

- An example of continued support is the promotion of HMRC's Help to Save scheme so that it specifically targets anyone newly eligible because of the Covid-19 crisis.
- In England and Wales, the implementation of Breathing Space and the Mental Health Access Mechanism (MHAM)



## **CHAPTER 3**

### Recovery Phase delivery activities

## The key initiatives and programmes that will have a significant impact on levels of financial wellbeing over the next 3 years

The delivery activities for each agenda for change are broadly complementary. For example, activities focusing on increasing financial capability in children and young people are likely to have a positive impact on the number of regular savers and later life planning. However, this work has also highlighted that there are financial trade-offs that people need to make between paying off debt, using credit or saving for the long term. Lifelong learning, managing these trade-offs and helping people make the right decisions at the right time throughout their financial life are common themes across all agendas for change.

Each of the activities will be developed with an inclusive-by-design approach, and where clear ownership is identified and funding is made available, be trialled and tested before being scaled up. As part of MaPS' role as coordinator of the UK strategy, an evaluation framework will be established to assess the success of each activity and where further developments and new initiatives are required. The following section focuses first on the cross-cutting activities that affect multiple agendas for change and lay strong foundations for the impact that each of the key delivery activities can have on those most in need.

### Using the workplace as a key delivery channel

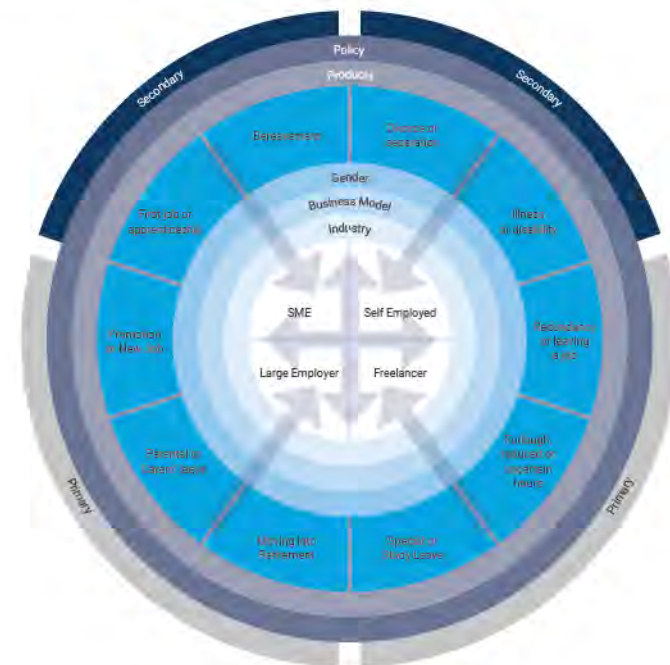
The workplace is a key delivery channel for improving the financial wellbeing of people in the UK. MaPS' focus extends to those in the gig economy or with more than one job, and recognises that the needs and experience of the self-employed or workers in small businesses can be very different from those in larger organisations.

Trust between workers and their employers can be a barrier, as can the availability of accurate and easy to digest information. Some employers may not be able to prioritise the provision of financial wellbeing support.

**An employer imperative**

In March 2021 the CIPD<sup>21</sup> called on all employers to recognise and take responsibility for their employees' financial wellbeing and is encouraging all employers to set up a financial wellbeing policy

Evidence strongly suggests<sup>22</sup> that we stand a better chance of helping people manage important financial decisions by focusing on 'moments that matter' in their working lives. The diagram below illustrates that most of these events are not linear during a person's working life and can strike at any time. Our challenge is to work with employers, workers and providers to package this support in a way that is easier to access, digest and action.



MaPS will create a financial wellbeing digital hub that will provide a single source of information and support relevant to all different types of organisation.

There are some excellent examples of best practice available from employers and employer groups. The delivery activities in this plan will build on this strong foundation and help other employers, especially small businesses, to get the help they need to support their workers' financial wellbeing.

21 Chartered Institute of Personnel and Development (2021) Available at: <https://www.cipd.co.uk/knowledge/culture/well-being/employee-financial-well-being>

22 The Money Advice Service, How can we improve financial wellbeing in the workplace? Available at: [https://www.fincap.org.uk/en/thematic\\_reviews/how-can-we-improve-financial-wellbeing-in-the-workplace](https://www.fincap.org.uk/en/thematic_reviews/how-can-we-improve-financial-wellbeing-in-the-workplace)



- **A financial education package for employers and communities:** The Building Societies Association (BSA) and the Money Charity have developed a financial education package including guidance and support on borrowing and debt, money safety, planning and budgeting, and saving. Starting in 2021, the BSA plans to promote this package through its member building societies and credit unions.
- **Day One Statements, the Association of British Insurers (ABI)** has provided templates and video content for how firms of all sizes can meet their legal requirement to tell new employees about everything they do to support their health and wellbeing and help them feel good, know their rights and make the most of benefits<sup>23</sup>.

## Mental health and financial wellbeing

We have identified a series of delivery activities aimed at improving outcomes for people with mental health problems. These activities are evidence based and person centred, and focus on identifying and understanding the causes of lower levels of financial wellbeing and addressing the interrelationships between money and mental health problems through strategic engagement, enhanced money guidance and partnerships with practitioners.

*“Being in unsustainable household debt is associated with harm to physical and mental health and with deepening poverty for those on low incomes... Those with lowest socioeconomic position, who are most likely to have to fund essential living costs through debt, will be most affected by the health impacts of debt.”*

Health Equity in England: The Marmot Review 10 Years On<sup>24</sup>

There is already significant evidence around how money and mental health variables interact to affect people and household finances, and we will develop this further in partnership with experts including the Money and Mental Health Policy Institute and Rethink Mental Illness in order to inform our work with financial services, health and advice sectors.

Recognising that money and mental health problems can be mutually aggravating factors in achieving and sustaining mental, physical and financial wellbeing, we want to systematically embed financial wellbeing support within services across all four health and care systems in the UK.

This will be achieved through direct and indirect (signposting and referrals) money support, where there are touchpoints for people with both money and mental health problems. These services include NHS social prescribing and similar person-centred services and the NHS Improving Access to Psychological Therapy (IAPT) services. Poor financial wellbeing is a public health matter and including this approach as part of the personalised care agenda in England could become a game changer for helping people to manage or overcome the dual vulnerabilities of mental health and money problems.

## Appropriate digitisation

Creating a data strategy to improve information sharing and the debt advice journey, and developing new functionality that can help people save or learn more to improve their financial resilience are good examples of where digitisation can help segments of society to improve their financial wellbeing. However, more work is required across the whole sector to understand its full potential and to ensure that no-one is left behind or excluded by the increased reliance on digital channels and solutions.

<sup>23</sup> Association of British Insurers (2021) Available at: <https://www.abi.org.uk/products-and-issues/topics-and-issues/workplace-wellbeing/how-to-use-day-one-statements-to-boost-wellbeing>

<sup>24</sup> Institute of Health Equity (February 2020) Health Equity in England: The Marmot Review 10 Years On. Available at: <https://www.health.org.uk/publications/reports/the-marmot-review-10-years-on>

### Money Guiders – developing skills, sharing understanding, improving lives

People across the UK should be receiving good quality money guidance regardless of where they go to get it. That’s why in 2021 MaPS piloted Money Guiders – a programme that will develop the skills and confidence of those who deliver money help to their customers, increase capacity and support diverse organisations across the UK in delivering money guidance well.

The programme includes the Money Guidance competency framework, user guides and self-development tools alongside e-Learning training resources, assessment, award and recognition. The development of a supportive learning network will also feature a series of meetings, events, discussions and practice-led communities to share learning, ideas and insights. This programme spans all national goals and highlights how important collaboration across sectors will be in shifting the financial wellbeing dial.

### Gender and financial wellbeing

The key drivers for lower levels of financial wellbeing among women are interconnected with structural gender inequalities that exist in wider society. To have a sustained and long-lasting impact, the issues affecting women that begin in early years and span education, working life and retirement need to be addressed in a coherent and connected way, with the responsibility for driving change shared across all genders.

The ‘moments that matter’ framework with gender-specific financial life journeys is a huge opportunity to address some of these inequalities and to provide the right support to women. For example, financial education aimed at children and young people requires gendered content and delivery. This will ensure that girls and young women transition to adulthood with a strong financial foundation, which will equip them to deal with the unique challenges they will face, and specific needs they will have throughout their financial lives.

### The England plan for Financial Foundations

Estimated sustained impact on the Financial Foundations national goal<sup>25</sup>

50%

### Helping around 800,000 more children and young people in England to get a meaningful financial education

Building on existing work and the continued collaboration and support from banks, building societies, education institutions and government, these activities will start to address the key gaps and barriers to receiving a good financial education. The focus is to help parents and practitioners engage children and young people (especially those in vulnerable circumstances) to provide them with a solid financial understanding for their adult life. The key activities are:

1. Talk, Learn, Do (TLD) – MaPS’ flagship evidence-based financial capability programme will be adapted to give parents and practitioners access to digital bite-sized content. MaPS will lead the activity supported by digital partners and partners such as parenting charities. MaPS will also start to broaden the programme to provide gender-specific content and support for those with mental health problems with a strong focus on parents and carers within the struggling and squeezed segments.

#### Talk, Learn, Do at NatWest

NatWest is piloting delivery of TLD by training their community bankers and MoneySense volunteers to deliver TLD to parents, hopefully laying the foundations for a full national roll out.

2. Furthermore, the TLD programme will be expanded to include content for teenagers and young people, enabling parents of older children to better support their transition into adulthood. MaPS will lead this activity, working with financial education, youth sector and parent organisations to help drive and deliver this key transitional activity.

25 The % of the national goal is an illustrative figure calculated by taking the mid-point of the impact range and factoring in potential double counting between initiatives.

- Quality school-based financial education is key to achieving the national goal. Building on the pilot programme in Wales, MaPS will look for opportunities to expand teacher training across the UK by working with a range of partners, including the Department for Education, higher education institutions and other teacher training organisations. The aim of this activity is to scale and embed financial education training within existing teacher training practices to ensure teachers have the knowledge, skills and confidence to deliver financial education in the classroom.

## The England plan for a Nation of Savers

Estimated sustained impact on the Nation of Savers national goal<sup>26</sup>

100%

### Making saving easy and more engaging – key delivery activities that will help us meet the national goal

The delivery activities in this area combine to address the barriers to prioritising saving, tapping into the right motivations and addressing issues around accessibility and trust. This can only be achieved with a collegiate approach between key organisations, particularly financial services, government, MaPS and employers as a delivery channel for savings products.

The three main components of the plan for the first few years are:

- Promote an expansion of payroll saving schemes:** This presents a huge opportunity to make saving much easier for millions of workers across England. In March 2021 the UK Minister for Pensions wrote to the FTSE100 employers encouraging firms to consider establishing payroll saving schemes. This level of government support is a hugely positive step as there is now a broad range of commercial products available that allow businesses to give this option to their workers. Aside from a few trials, these schemes are mostly opt-in with modest take-up but, with backing from employer groups and financial services, much greater voluntary uptake of payroll-deducted savings could become the norm and give millions of people the option to build up a savings buffer directly from their monthly pay (before they have a chance to spend it).
- Raise the profile of savings within financial services:** The industry will develop and champion a Savings Charter where signatories commit to increasing standards, championing better use of evidence and increasing the number of regular savers over the lifetime of the strategy. This will make savings more relevant and therefore more appealing. Major players in the financial services industry have already made commitments to increase the number of savers within their customer base or launched incentive products to meet their customers' savings needs, and the charter will act as a focal point for these

#### Teacher training partnership with Welsh Government and Young Money

The Teacher Training Pathfinder being delivered by Young Money in partnership with Welsh Government addresses the limited support for teachers in delivering financial education. The aim is to pilot support in Wales to enhance teacher knowledge, skills and confidence in teaching about money, and improve young people's financial capability.

- The work of HSBC and MyBnk are great examples of the significant and wide-ranging activity already underway to improve the financial education available to vulnerable children and young people. However, MaPS has identified a gap in provision for practitioners and will coordinate work to develop practical toolkits to use and embed financial education in their day-to-day practice and direct work with children and families. Giving practitioners the skills and knowledge to confidently deliver financial education to children in vulnerable circumstances will support the financial wellbeing of some of the children who are most in need of support.

#### MaPS' role

MaPS will continue to research and provide insight to identify the gaps in provision and the needs of the financial education sector. MaPS will also support the development of new initiatives aimed at providing a meaningful financial education across the UK, and track and measure progress towards the national goal, working with the Department for Education on tracking the delivery of financial education in schools and with HMT to maintain an up-to-date picture of all active projects and interventions.

26 The % of the national goal is an illustrative figure calculated by taking the mid-point of the impact range and factoring in potential double-counting between initiatives.



existing commitments and to encourage others follow and make their own commitments to create a Nation of Savers.

3. **Support the government's Help to Save scheme:** This is a reward-based savings product that offers account holders a bonus based on the amount they save over two and four years. According to the latest figures from HMRC, by March 2021 almost 240,000 Help to Save accounts had been opened in England with total deposits of over £120 million<sup>27</sup>. Covid-19 is likely to have increased the number of people eligible to open a Help to Save account: in work and in receipt of either tax credits or Universal Credit. The scheme will not only give people a savings buffer, but also the experience of regular saving, and help boost motivation to continue once the scheme ends in 2023. Prize-linked savings are a growing area of market activity for credit unions, building societies and others. MaPS will continue to engage the sector on the comparative merits of reward-based and prize-linked savings for the working-age struggling and squeezed population.

In each of these important activities, the foundations of what we want to achieve are in place. Payroll-deducted savings have been trialled and tested and need to be expanded. Help to Save is live but can be made to work for more people. And key partners among the banks and building societies are already committed to the Savings Charter.

## The England plan for Credit Counts

Estimated sustained impact on the Credit Counts national goal<sup>28</sup>

40%

### Increasing insight and improving guidance for people making credit decisions or managing credit commitments

We need to understand more about how people make credit decisions, what can influence them to seek help and how behaviours in credit use can be influenced. The activities that have been identified as priorities in the credit counts agenda are a blend of in-depth research trialling new approaches to supporting customers, and providing better customer guidance are all essential first steps. There also needs to be a greater focus on the products provided by credit unions and other community finance providers and greater investment in the community finance infrastructure to make these products easier to access.

#### Community finance: a definition

Community finance refers to organisations set up to provide access to fair and appropriate financial products, such as affordable credit, to communities who have difficulty accessing mainstream financial services. There is a range of community finance providers, the most common of which are credit unions and community development finance institutions (CDFIs).

1. **Development of income maximisation and improved money guidance to help people choose and manage credit:** Improved access to money guidance, grounded in a thorough understanding of the reasons why people make certain types of financial decisions, would also help people to make better credit choices, informed by a better understanding of the true cost of each option, and to seek help earlier with problematic credit commitments. Income

<sup>27</sup> HMRC (2021) Help to Save statistics. Available at: <https://www.gov.uk/government/statistics/help-to-save-statistics>

<sup>28</sup> The % of the national goal is an illustrative figure calculated by taking the mid-point of the impact range and factoring in potential double counting between initiatives.

maximisation as part of customer journeys can also reduce or remove the need for credit.

2. **Increase awareness of and access to community finance credit products available through credit unions and community development finance institutions (CDFIs):** This will entail coordinated marketing and communications campaigns informed by better data on need, as well as creating and building on best practice to create seamless customer journeys between community finance and the debt advice and money guidance sectors.
3. **Develop creditor standards for those with mental health problems:** Supporting the work of the Money and Mental Health Policy Institute to encourage financial services firms to more readily identify customers with mental health problems, and to develop customer service journeys that work better for these customers, especially where their mental health has been a driver for over-indebtedness.
4. **Work with essential bill creditors to allow people to avoid using credit:** Encouraging essential bill creditors to take a common and consistent approach to supporting customers in financial difficulties and on low incomes, as well as those who are vulnerable due to non-financial factors, is also key to achieving the goal of fewer people having to resort to credit to pay their bills.
5. **Expenditure smoothing to avoid the use of credit for essential costs:** The Centre for Responsible Credit 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 is also exploring the potential to profile council tax payments across the year in a way that meets individual need.

## The England plan for Better Debt Advice

Estimated sustained impact on the Better Debt Advice national goal<sup>29</sup>



### Leading the response to Covid-19 and laying solid foundations for the future

Work to commission high-quality debt advice in England will establish longer-term agreements to provide stability while working with providers to drive continuous improvement in customer experience and outcomes, advice quality, value for money and the provision of real-time management information to monitor performance.

The delivery activities in this area combine to address the immediate challenges of capacity and reach exacerbated by Covid-19. This can only be achieved with a collegiate, cross-industry approach.

1. 2021 saw the implementation of Breathing Space, which offers those in need legal protections from their creditors, giving them time to review their finances, seek debt advice and identify the most appropriate debt solution for them. Development of the new Statutory Debt Repayment Plan continues, with the government aiming to lay regulations by the end of 2022 and launch the scheme in 2024. MaPS will continue to support HMT with the implementation of Breathing Space, ensuring that the accompanying processes and support mechanisms are efficient and the right judges and signposts exist to help everyone who is eligible to access these protections.
2. While most customers will access Breathing Space through debt advice, customers receiving mental health crisis care will enter via the Mental Health Access Mechanism (MHAM). Within this, advisers will refer people to Breathing Space after seeing evidence they are receiving crisis care from an Approved Mental Health Practitioner (AMHP). This means that for people in vulnerable circumstances there is a clear, simple referral pathway, ensuring that busy mental health professionals do not have to spend time finding or choosing a provider. It also means that providers taking referrals have significant expertise in helping people with severe mental health problems and are able to support customers consistently and at scale, which will ensure everyone receives the high-quality support they need.

#### Key partner: Fair4All Finance

Fair4All Finance was founded to improve the financial wellbeing of people in vulnerable circumstances by increasing access to fair, affordable and appropriate financial products and services. Its first focus area is improving access to affordable credit, and its work to build capacity in the community finance sector will be central to the England delivery plan, and also create insight and opportunities for other nations.

29 The % of the national goal is an illustrative figure calculated by taking the mid-point of the impact range and factoring in potential double-counting between initiatives.

3. Work to commission high-quality debt advice in England will establish three-year agreements to provide stability while working with providers to drive continuous improvement in customer experience and outcomes, advice quality, value for money and the provision of real-time management information to monitor performance.
4. Broadening the range of referral partners is also an immediate priority. The focus in the early phases of the strategy will be to build a coalition of partners representing more diverse societal groups, as well as employers and life event providers who can confidently provide referrals to the right parts of the debt advice sector. Another focus will be how debt advice can refer people to other specialist advice sectors to ensure that they get the rounded, holistic support they need. Improved processes, systems and infrastructure will help providers meet the individual needs of customers.

The complementary activities described in Chapter 4 will, in parallel, lay the foundations or instigate research into potentially game-changing systems change later in the strategy life cycle.

### The England plan for Future Focus



### Helping people understand enough to plan for and while they are in later life

The delivery activities for Future Focus seek to address some of the key barriers to planning by establishing partnerships, supporting the existing work of DWP, pension providers, employers and others, and by encouraging a culture of talking about long-term savings and any other issues that can affect us in later life. All the activities will be carried out in line with the 50 PLUS: Choices strategy, which has been developed by the UK government to address the labour market risks faced by over 50s because of Covid-19. This strategy demonstrates a commitment to working in partnership with employers to encourage age inclusive and flexible working practices and promote a holistic approach to providing early and targeted employment and skills support to help over 50s stay in, progress or return to work and build their future financial resilience.

There are several initiatives already being introduced to improve support for people as they plan for retirement, and the delivery activities in this plan will build on or complement them.

- Stronger Nudge rules and regulations will be introduced to increase the take-up of Pension Wise guidance before people access their DC pension, and to help more people make informed decisions about accessing their pension savings.
- The Pension Schemes Act 2021 introduced a power allowing pension scheme providers to signpost people to specific MaPS guidance in circumstances where there is a risk they are being targeted by scammers.
- MaPS’ pension transformation strategy aims to help people understand what guidance is available to them, to ensure they can get the right support at the right time.

**Pensions Dashboards**

MaPS is developing the architecture to enable pensions dashboards that will allow people to see all of their pensions in one place. MaPS is also developing their own pensions dashboard to allow people to find lost pensions and understand what they may have at retirement. To help people plan for later life MaPS will develop a retirement planning hub (incorporating the MaPS dashboard) which will help them answer the questions: *What do I have? What will I need? What actions should I take?*

The three key components of the plan for the first few years are:

1. **Deliver a holistic retirement planning hub, incorporating pensions dashboard:** The vision of the retirement planning hub is to support people with personalised guidance at every stage of their pension journey. The retirement hub and pensions dashboard are integral to each other, and success will be achieved by engaging partners and advocates to maximise take-up and use open data to nudge people to the hub at key moments when they’re more receptive to engaging with guidance.

30 The % of the national goal is an illustrative figure calculated by taking the mid-point of the impact range and factoring in potential double counting between initiatives.

- 2. Develop a mid-life MOT guidance proposition:** 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 share learnings from existing initiatives and MaPS will provide bite-sized guidance on finances, with simple actions and signposts to specialist guidance where appropriate. This guidance will form part of the financial pillar of the MOT, and will sit alongside the two other pillars, which relate to health and work.

#### Digitising the mid-life MOT

Aviva has launched a mid-life MOT app which is designed to help people aged 45–60 understand their finances and support their planning. The app gives the user a quiz and generates a score based on their wealth, work and wellbeing. It then provides feedback including suggestions to improve their score, and checklists to help them manage their progress.

- 3. Develop a holistic financial wellbeing guidance service for people in later life:** Later life and in-retirement decisions are complex, and many people find it difficult to make choices that will best meet their needs or find the information that will help them make these choices. With the support of others, MaPS will develop a holistic guidance service that covers all aspects of financial wellbeing related to later life, including support relating to retirement decisions, pension scams, power of attorney, wills and economic abuse, and signposting to specialist guidance.





## **CHAPTER 4**

### Focus on the future



## Important activities to help us scale our impact over the course of the strategy to 2030

The UK Strategy for Financial Wellbeing aims to increase the financial resilience and capability of the UK over the next decade. The previous chapter identified tangible activities that can have a material effect on the national goals set for each agenda for change. However, there is more work we must do now to lay the foundations for future activities and to establish new priorities when the strategy is refreshed in 2024.

The focus of this chapter is to highlight some of the key pieces of research, pilots and other initiatives that may not directly lead to an increase in financial wellbeing but should raise general awareness, promote financial wellbeing, provide excellent insight and inform our longer-term focus.

### Financial Foundations

Providing a strong financial foundation and improving financial education among children and young people presents perhaps the biggest longer-term opportunity to improve the financial wellbeing of the nation. Some key research and development areas include:

- 79% of children and young people<sup>31</sup> look to their parents for advice but parents are not always confident having discussions about money. Strong support from financial services organisations is needed to lead and coordinate a multi-channel, parent-facing communications initiative to engage more parents and carers, providing them with the knowledge and confidence to talk about money with their children. UK Finance has an important role in coordinating the financial services sector to create this communications initiative to focus on parents in the struggling and squeezed segments as well as those with mental health problems.
- Accessing high-quality financial education is a common issue faced by many teachers, practitioners, parents and young people. Despite there being several different platforms providing this information, people do not know where to go to access the right support. There is a huge opportunity to provide better signposting and easy access points, and to connect existing digital services, platforms and hubs in each of the four nations, linking key audiences to quality-assured financial education resources, services and support. MaPS is well placed to coordinate this activity but will require significant support from financial education providers and other stakeholders to provide access to existing material, create new content and promote financial education hubs across the four nations.

- Building networks and normalising talking about money in different settings will also be key to achieving the national goal and long-term, sustainable change. MaPS is committed to engaging with a wider variety of partners across all agendas for change – including in youth and education sectors – as part of the annual Talk Money Week, which it coordinates. For example, Young Enterprise is currently championing entrepreneurial skills and there is further opportunity to use a peer-to-peer model to build money skills among older children and young people. Furthermore, research and greater collaboration between school leaders with the establishment of a champions network will demonstrate the value of financial education within the wider school priorities.

### Nation of Savers

The medium to long-term innovation focus for Nation of Savers is also increasingly clear. Each of the three key delivery activities described in Chapter 3 have clear follow-on activities that will be enhanced and developed over time.

- **Payroll saving schemes:** MaPS will work with partners to research and build the case for an auto-enrolment style opt-out option for payroll saving. 87% of people in the UK do not opt out of auto-enrolled pensions.
- **Offer reward-based or prize-linked savings as a way to engage people in our target groups:** It is unlikely that there will be an immediate government-sponsored replacement for the Help to Save scheme but there is still a huge opportunity for the private sector to provide flexible successor projects and services that motivate people to continue their savings habit. Help to Save has proved that there is a market for reward-based or prize-linked schemes and MaPS will work with others to build a resilient social and economic case including other types of account that could appeal to different people on the basis of the concept of reward.

### Sustaining savers

When someone's Help to Save account matures, accrued funds will be automatically transferred into their nominated account. At this critical moment, HMT, HMRC and financial services (with MaPS support) will work together to guide customers on where else they can transfer their matured Help to Save funds and continue to save. Although the transfer of Help to Save customers into new products will not necessarily create new regular savers, it will stop the number of regular savers from falling, and it's reasonable to assume that products attractive enough to appeal to core Help to Save customers will also attract new savers because of their relevance and positioning in the market.

- **The Savings Charter** will initially bring together the existing savings commitments of key players in the sector but has huge potential to drive up product standards, increase digitisation through open finance and other means, and be the catalyst for sharing best practice, for example through behavioural insights. Savings teams in banks, building societies, credit unions and fintech providers can use the charter to drive a culture change that has a more rounded view of the importance of savings to a customer's financial resilience.

### Credit Counts

The complementary activities in the Credit Counts agenda are wide-ranging and rely on the cooperation of a broad range of partners from across industry as well as regulators and government. The key activities can be broken down into three main areas: new research, trials and pilots, and development of market practices.

- **Research:** Accumulating greater insight will ultimately drive innovation. Firstly, behavioural research should uncover how to get people to engage with money guidance on making better credit choices, rather than relying on existing behaviour.
- **Trials and pilots:** There is a need to find mechanisms to get people with excessive credit commitments to access help earlier, before these commitments become unmanageable debt. This is an area where financial services have struggled to change behaviour. The insight from behavioural trials is key to identifying what nudges could encourage consumers to manage credit commitments effectively and to seek help earlier when things become unmanageable.

- **Development of improved market practices:** The Woolard Review, commissioned by but independent of the FCA, provided the market with a series of recommendations to improve regulation and practice in the unsecured credit market. Alongside the FCA's planned review of persistent debt remedies, and implementation of new guidance on the treatment of consumers in vulnerable circumstances, these recommendations offer a real opportunity to improve consumer experiences and outcomes in the credit market and reduce the cost of credit. Fair4All Finance is also driving the development of improved market practices in mainstream financial services to enhance access to affordable and appropriate credit products. The insurance market also has a significant role to play in protecting consumers from the income shocks that can lead to resorting to credit, and Fair by Design's work on access to low-cost insurance will be an important enabler for this goal.

### Better Debt Advice

MaPS has a key role to play in setting the future agenda for the debt advice sector and will be laying the foundations for sector systems change by embracing digitisation through the application of emerging technology and the better use of data.

- **Innovation:** There are several enabling activities that will be priorities, including developing a data strategy and building up sector knowledge on the potential of new technology to improve systems and processes for the good of everyone accessing debt advice. Once a technology roadmap is in place, MaPS and its partners will develop a business case to address how industry-wide investments could be made for the most impact. Responsibility for leading and delivering the resultant change and transformative activities will be shared across the industry with MaPS providing sector coordination.
- **Investment:** There is a need for horizon scanning as new opportunities come from emerging technology (such as smart and open data). It is vital to identify and address barriers to the use of better digital infrastructure. A significant barrier is the ability to invest, so MaPS will work with partners to consider how greater industry-wide investment can be achieved for greater impact. A data strategy will be coordinated by MaPS alongside stakeholders to empower the appropriate sharing of data to improve customer experiences and sector-wide reporting. Finally, as some people increasingly want to use digital channels of communication as part of their debt advice journey, greater focus on user research and codesign will be required to ensure higher quality, engaging services are designed to meet the needs of modern customers.

**Our collaborative approach for improving technology**

Codesign and user research with customers

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Exploration of shared infrastructure and frameworks

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Development of data strategy and standards

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Horizon scanning of emerging technology

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Shared industry responsibility supported by MaPS coordination



Excellent customer experience through digital channels

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Robust digital infrastructure for all advice providers

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Data sharing and sector-wide reporting

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Shared research and insights into new technologies

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- **Sustainable sector funding:** The pandemic highlighted some of the known issues and instabilities within debt sector funding. A more sustainable model, underpinned by a clear framework, would help to ensure the sector is better able to meet customer demand. Further work will be undertaken to explore non-legislative options, build the case for change and improve sustainability, including how to extend the initiatives to broaden referral partners outlined in Chapter 3.

**Future Focus**

The delivery activity priorities for the next three years focus on increasing knowledge and understanding to allow consumers to engage with their long-term savings and plan for their retirement. Future activities will have similar themes including better use of technology and sharing best practice.

- **Changing views about ageing:** We know people have a specific fear of ageing, and thinking about later life can be challenging and uncomfortable. This fear directly impacts people’s capacity to plan for and in later life. Changing these views and creating positivity about ageing will help people engage with making plans for their future. MaPS will work with others to understand how, through initiatives such as mid-life MOTs and later life guidance, we can change attitudes to ageing and encourage employers to support work and career opportunities for those aged 50+.
- **Pensions dashboards:** Pensions dashboards enable people to access their pension information online, securely and all in one place, thereby supporting better planning for retirement. Pensions dashboards and the underlying architecture will have to

continue to evolve to embrace new technologies, best practice and innovation to enhance support for people planning their retirement.

- **Removing barriers to engagement:** We know that over half of all working-age people (22 million) don’t feel they understand enough to make decisions about retirement. Tools and guidance are often designed without consideration of different working lives, making understanding even more difficult for certain groups, such as women. Language can be complex, inconsistent and full of jargon, deterring people from engaging with the information. MaPS will ensure that the tools we use to help people plan for their retirement will incorporate non-linear lives and be inclusive by design. We will work with industry to support the development of a common framework of bite-sized actions that will empower people to act, taking learnings from successful initiatives such as 5 A Day and Couch to 5K while ensuring common use of language.
- **Engaging at key moments:** We know people are more responsive to interventions that encourage planning at pivotal moments in their lives. These could be life events such as marriage or the birth of children, or significant birthdays such as turning 50. MaPS will be developing holistic money and pension guidance to support people at key life events such as divorce, and ensuring they can access this guidance from where they seek support. Other initiatives could include a birthday card sent on key birthdays to prompt people to think about financial planning.

## Cross-cutting themes and sector-wide collaboration

As set out in our wider considerations in Chapter 1 we need more research and insights into the specific financial needs of different groups. During the activation phase of the UK strategy, MaPS and the Challenge Groups focused on the needs of women and people with mental health problems as there was a body of evidence showing worse outcomes for these groups. Covid-19 has exacerbated many of the social and economic inequalities across the UK and has left more people with financial vulnerability, providing us with initial insights to expand this focus and understand how other groups can be supported and ultimately achieve better financial resilience.

- **New research into people in vulnerable financial circumstances:** In 2021/22 MaPS will review evidence of the combined impact of money and mental health problems as these are experienced by ethnic minority communities.
- **Financial wellbeing and ethnicity:** Our review of current evidence on financial wellbeing and ethnicity has identified that we need to understand more about the specific challenges faced by people from different ethnic minority groups. We welcome the research planned by Fair4All Finance into how to improve financial inclusion for people from ethnic minorities as an important step in plugging this evidence gap.

## New initiatives and ideas

In addition to collaborating on existing initiatives and ideas, achieving transformational change will require the ideas and collective inspiration of a huge range of organisations – governments and policy makers, guidance and advice providers, financial services firms, educators, employers and more.



In this document the recommendations and delivery activities that emerged from the process have been presented in line with the agendas for change and the five national goals. However, it also became clear that there were nine distinct types of interventions and activities that we have started to refer to as the building blocks of the UK strategy. The evolution of the strategic plans should not be bound by the national goals and rather address lifelong and systemic issues affecting the financial wellbeing of those most in need. Organisations and stakeholders are therefore encouraged to use this emerging categorisation to develop and implement new initiatives and ideas that cut across people's financial lives.

Through this model and the governance structure described at Appendix E, it is hoped that by 2030 many thousands of committed organisations and individuals will be engaged in financial wellbeing, collectively delivering self-sustaining change across the UK.

| Category           | Building block                              | Examples   |
|--------------------|---|--|
| Drive change       | Leadership and culture                      | <ul style="list-style-type: none"> <li>Tracking progress towards the national goals and measuring the financial wellbeing of consumers and staff</li> <li>Providing visible senior sponsorship and thought leadership for financial wellbeing</li> <li>Development of pledges that can be supported by sectors, organisations or individuals to champion financial wellbeing</li> </ul>  |
|                    |   | <ul style="list-style-type: none"> <li>Carrying out and publicising research into consumer needs, and what works to improve financial wellbeing</li> <li>Sharing financial wellbeing innovation, including from other countries</li> <li>Investing in innovation gaps</li> </ul>   |
|                    | Policy and regulation                       | <ul style="list-style-type: none"> <li>Building financial wellbeing into policy development</li> <li>Increasing the regulatory focus on the financial wellbeing of consumers, especially those who are vulnerable and most in need</li> </ul>  |
|                    |   | <ul style="list-style-type: none"> <li>Using digital channels and other technologies to reach and impact more people</li> <li>Partnering with others to share resources and increase funding</li> <li>Developing money guidance skills of practitioners and organisations across the UK by providing a framework, training, resources and networks</li> </ul>  |
| Transform services | Education, information, guidance and advice | <ul style="list-style-type: none"> <li>Delivering, commissioning and improving guidance services for pensions, money guidance and debt advice in key areas of need</li> <li>Creating generic guidance and tools for others to reuse</li> <li>Collaborating to make the most out of the pensions dashboards</li> <li>Using commonly agreed best-practice guidance</li> </ul>  |
|                    |   | <ul style="list-style-type: none"> <li>Applying an inclusive-by-design approach to all services, taking account of people with protected characteristics under the Equality Act, people in vulnerable circumstances including the digitally excluded, and those most in need</li> <li>Integrating guidance into customer journeys and promoting guidance to employees, customers and clients</li> </ul>  |
|                    | Financial products and services             | <ul style="list-style-type: none"> <li>Contributing to discussion and debate about the development of better products and services, including sharing innovation from across the UK and elsewhere in the world</li> <li>Building financial wellbeing into product development, using insights from behavioural science and measuring financial wellbeing as well as customer satisfaction</li> <li>Partnering with MaPS and others to trial product innovations that could support the national goals</li> </ul> |
| Reach people       | Partnership outreach                        | <ul style="list-style-type: none"> <li>Participating in a national conversation about money, financial health and wellbeing. Leading campaigns and contributing to Talk Money Week</li> <li>Coordinating marketing and engagement activities around common targeting, agreed segmentation models and standard underlying messages</li> </ul>   |
|                    |   | <ul style="list-style-type: none"> <li>Creating digital resources and pledge mechanisms that can engage thousands of organisations as signposts to financial wellbeing guidance, products and services</li> <li>Promoting and updating pre-packaged generic resources so that third-party organisations can deliver them directly to their employees, customers or clients</li> <li>Signposting employees, consumers and clients to financial wellbeing guidance, products and services</li> </ul>               |

## CHAPTER 5

A framework for reporting and tracking progress



**Reporting and tracking progress**

MaPS measures financial wellbeing through our major surveys – the annual debt needs survey and the financial wellbeing surveys for adults and children and young people (conducted every three years). The results of these surveys give a point-in-time view of financial wellbeing in the UK through a consumer lens.

However, MaPS and other stakeholders wanted a more dynamic and iterative method of tracking consumer financial wellbeing and progress against the goals. MaPS have therefore developed a common set of questions that partners should use to measure the success of individual initiatives, which will help MaPS collate information on a national level.

This delivery plan forms part of a new financial wellbeing framework that aims to provide all stakeholders with not only a common definition of financial wellbeing but also the problems and barriers we are looking to address. These barriers and the hence the levers that we may collectively deploy to make progress on the National Goals are summarised in the basket of indicators. Unlike the surveys, which focus purely on consumer activity and behaviour, the basket of indicators will also measure progress on the supply side (for example, the number of teachers trained or the number of debt advice sessions given). Therefore, when taken together, the surveys and the basket of indicators will allow MaPS to monitor the progress being made towards the national goals, and to identify where additional effort and resources might be most required.

The aim is to give everyone involved in financial wellbeing a framework to work to, and a dynamic indication of the progress being made that will inspire more action, involvement and ideas.

**Basket of indicators**

**Financial Foundations**

2 million more children and young people are receiving a meaningful financial education

- Number of teachers trained and confident
- Number of pupils given financial education supplied through schools
- Number of pupils given financial education funded by financial and third sector institutions and supplied through schools
- Number of children and young people given financial education outside of school
- Number of parents receiving interventions such as MaPS’ Talk Learn Do initiative

**Nation of Savers**

2 million more people who are struggling and squeezed are saving regularly

- Number of employees enrolled in payroll saving scheme
- Number of bank customers using a savings app/function
- Number of active savings goals
- Number of people with an active incentivised savings product
- Number of people moving through Standard Financial Statement using repay and save scheme and continuing to save

**Basket of indicators**

**Credit Counts**

2 million fewer people are often using credit to pay for food and bills

- Number of people accessing affordable credit through credit unions and CDFI
- Number of people consistently making minimum repayments
- Number of people seeking guidance or using any tools that support sustainable credit choices
- Number of people using tools and products to smooth 'lumpy' income and expenditure
- Number of people having financial capability and appropriate financial confidence

**Better Debt Advice**

2 million more people are accessing the right debt advice

- Number of people aware that debt advice exists, what it offers and where to go to get it
- Number of people who have good perceptions of debt providers and think debt advice is for them
- Number of people waiting over a year before seeking the debt advice they need
- Number of people receiving debt advice through a preferred channel
- Number of debt advice interventions delivered

**Future Focus**

5 million more people understand enough to plan for and in later life

- Number of people accepting the need to take responsibility for their own retirement
- Number of people using a tool such as the PLSA's Retirement Living Standards or EV
- Number of people accessing information about their existing pension pot (for example from the Pensions Dashboard)
- Number of people using pension or later life advice or guidance
- Number of retirement age people with positive attitudes and behaviours

**Delivery plan updates (2024, 2027) □**

Based on survey data and the collated information from the basket of indicators, MaPS will also own any updates to the delivery plans in each nation and will work with partners to reflect emerging strategic and operational thinking, new priorities, and changes to the regulatory or policy landscape.





Money &  
Pensions  
Service

# 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.

57 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>

58 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.



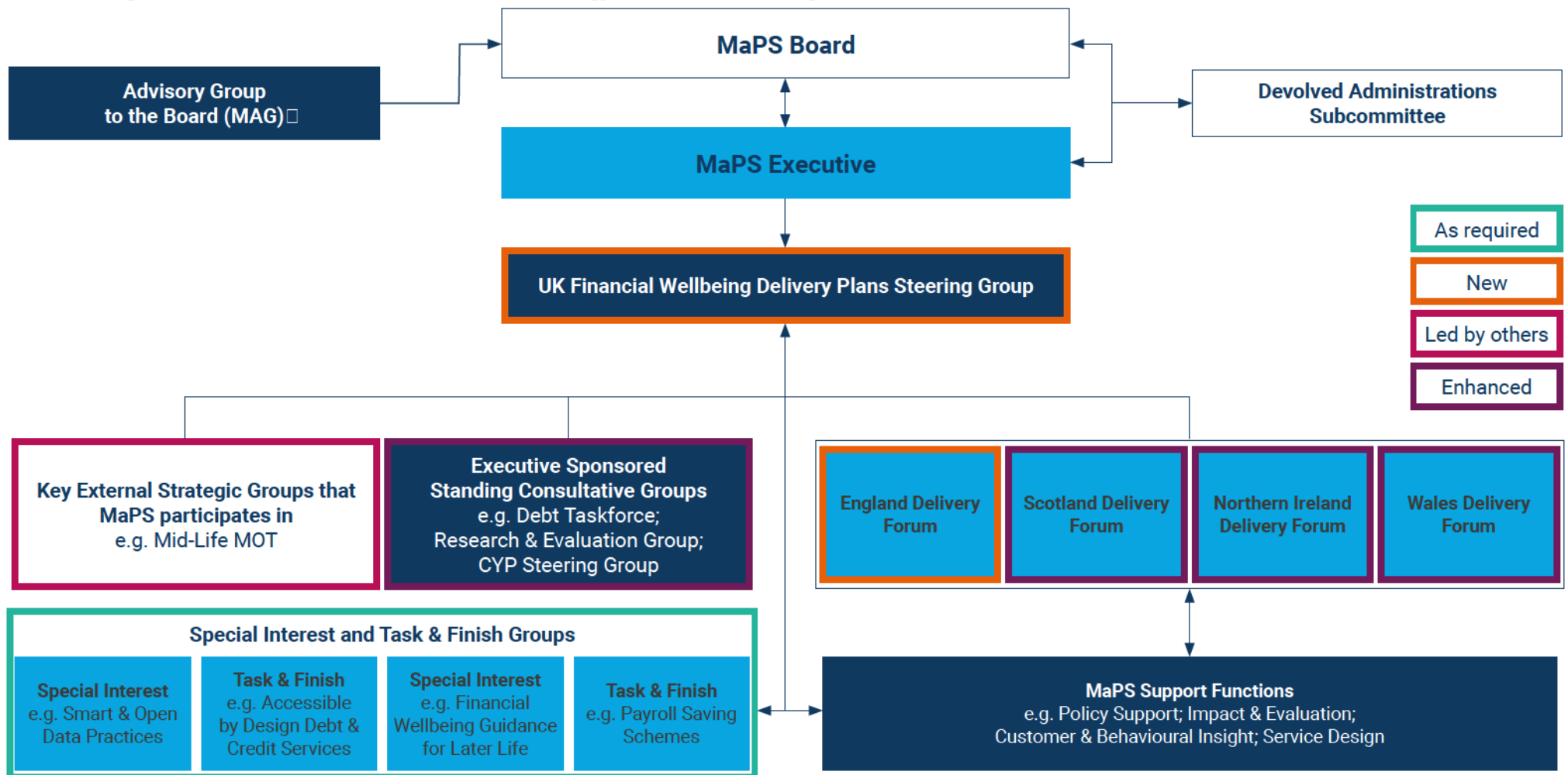
## APPENDIX D: Challenge Group members

|                                |                                  |                                |  |   |                                   |
|--------------------------------|----------------------------------|--------------------------------|--|---|-----------------------------------|
| 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://moneyandpensionsservice.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://moneyandpensionsservice.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.instituteofhealthequity.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>

