

UK Strategy for Financial Wellbeing

Delivery Plan for Wales



Gwasanaeth
Arian a
Phensiynau



Money &
Pensions
Service



Llywodraeth Cymru
Welsh Government

Stakeholders

With thanks to people from the following organisations for their support and input into the virtual round tables in Wales, helping to identify and shape the activities in this delivery plan.

ACE Credit Union Services	End High Cost Credit Alliance	North Wales Economic Ambition Board
Age Cymru	Energy Saving Trust	Older People's Commissioner for Wales
Alzheimer's Society	EYST	Pembrokeshire Youth Services
Banc Cambria	Faculty of Health, Liverpool John Moores University	Pobl Group, Lampeter
Barclays	Family Fund	Post Office
Blaenau Gwent County Borough Council	Family Housing Association (Wales)	The Prince's Trust
Bridgend Lifesavers Credit Union	Farmers' Union of Wales	Principality Building Society
Business in the Community	Federation of Small Businesses	ProMo-Cymru
Caerphilly Youth Service	Ferret Information Systems	Responsible Finance
Cambrian Credit Union	Flintshire County Council	Riverside Advice
Campaign for Learning	Greenstream Flooring CIC	Scarlets
Cardiff & Vale Credit Union	Groundwork North Wales	Shelter Cymru
Carnegie UK Trust	Gwynedd Council	StepChange Debt Charity
CASS Academy	Hafal	Swansea University
CBI Wales	Health Education and Improvement Wales	Tai Tarian
Centre for Community Finance Europe	Legal & General	The Investing and Saving Alliance (TISA)
Ceredigion County Council	Llamau	Trivallis
Chairs of Two Regional Advice Networks	Mid and South Wales Financial Capability Forum	University of South Wales
Chwarae Teg	Mind Cymru	Valleys Task Force
CIPD Wales	Money Advice Trust	Wales Co-operative Centre
Citizens Advice Denbighshire	Money and Pensions Service	Wales Gypsy, Roma and Traveller Advice and Advocacy Service
Citizens Advice Ceredigion	Money Saviour	Wales Illegal Money Lending Unit
Citizens Advice Cymru	Moneyline CDFI	Wales TUC
Citizens Advice Powys	National Advice Network	Warm Wales
Citizens Advice Rhondda Cynon Taff	NatWest	Welfare Rights Advisers Cymru
Citizens Advice Swansea Neath Port Talbot	NEA Cymru	Welsh Government
City and County of Cardiff	Newport City Council	Welsh Local Government Association
Construction Industry Training Board	Newydd Housing Association	Welsh Women's Aid
Credit Unions of Wales	NHS Wales Health Collaborative	WEN Wales
Cymorth Cymru	North Wales Africa Society	West Wales Financial Capability Forum
Cymru Older People's Alliance	North Wales Financial Capability Forum	Youth Cymru
Disability Wales	North Wales Regional Skills Partnership	
Diverse Cymru	North Wales Training	

Who is this delivery plan for?

From pocket money to pensions, this document is for all organisations with an interest in supporting or improving the financial wellbeing of people in Wales and across the UK. This delivery plan, and the equivalent versions in England, Scotland and Northern Ireland, provides context, background information and a framework for the next three years on how organisations with established 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 employers, from SMEs to multinationals, across all sectors and their representative organisations and trade bodies such as the CBI, FSB and trade unions
- **LIFELONG LEARNING:** formal and informal education providers for children and adults, 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 local, national and UK government and other decision makers

This document is a joint plan from the Welsh Government and the Money and Pensions Service.

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 wellbeing of people and their ability to manage debt, and to improve the provision of financial education to children and young people. MaPS has developed this delivery plan based on the input and ideas from multiple cross-industry stakeholders across Wales and the UK and presents it as part of our coordination function.

As coordinator of the strategy, MaPS will fund and deliver initiatives as well as encouraging other organisations to lead projects and contributing to these. 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.

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Foreword by Jane Hutt, Minister for Social Justice, Welsh Government

As the Welsh Government Minister for Social Justice I welcome the publication of this delivery plan for Wales.

Social justice is at the heart of our new government and something that I am passionate about.

Social justice means a fair and equal Wales, where no one is held back and no one is left behind. A Wales where we tackle poverty, protect our most vulnerable communities and champion equality. That is why I am committed to reducing financial exclusion, improving financial wellbeing and creating a more equal society.

This joint plan represents everything that is good about collaboration in Wales. It is the culmination of more than 18 months of work and engagement with our mutual stakeholders, led by the Money and Pensions Service with the full support of the Welsh Government.

Publication is timely. As the Welsh Government Financial Inclusion Delivery Plan draws to its conclusion, this plan provides the continuing impetus necessary to tackle some of the social justice issues that I care about the most.

The credit union movement in Wales is close to my heart and is integral to my social justice priorities. I want to see more people in Wales accessing fair and affordable credit when in need of help. The unions' work in promoting the importance of regular saving, whether attached to lending, through payroll with employers, or schools is key to improving people's longer-term financial resilience and wellbeing, with the need for this being brought into sharp focus over the past year and a half. The actions within this plan will continue to place credit unions at the centre of financial wellbeing.

I am also pleased that this delivery plan recognises the critical relationship between digital and financial inclusion as well as wellbeing. We have to ensure our citizens are digitally confident when accessing services online and that no citizen is left behind. While digital is an option for many, the delivery plan acknowledges that some people may lack the confidence, digital skills or motivation, and therefore it is our responsibility when developing services to ensure alternative non-digital options are available and delivered to the same high standards.

I welcome the comprehensive measures outlined in the delivery plan that will help ease the financial burden for lots of households across Wales, many of whom struggle to meet their essential financial commitments. Through collaboration with key partners, it is important that we continue to develop coordinated initiatives so that more people in Wales can access the advice and wraparound support they need to maximise their income, manage their debts and begin to put their finances on a more sustainable footing.

I commend everyone who has worked tirelessly to produce this plan. It is an example of what can be achieved when we work together towards the same ends. I look forward to it driving us towards a financially resilient, fairer and more prosperous Wales.

Jane Hutt
Minister for Social Justice, Welsh Government



Foreword by Sir Hector Sants

When it was set up in 2019, the Money and Pensions Service was tasked with coordinating a national strategy to transform financial wellbeing across Wales and the rest of the UK. Thousands of organisations work to deliver financial education, help people manage their money day to day, or offer support in a financial crisis, and there has long been a need for one body to agree a simple, clear set of common goals and provide an effective mechanism to focus everyone's efforts.

This delivery plan for Wales and the equivalent documents covering England, Scotland and Northern Ireland are the culmination of our year-long strategy activation phase that included analysis and collaboration with a broad range of policy experts, regulators, product developers, leaders and many others with a passion for improving financial wellbeing across the UK. During the activation phase we 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. A Wales representative was a member of each of these groups and between them hosted 33 round tables to ensure that the opportunities, challenges and gaps from a Welsh perspective were identified and addressed. In Wales, round tables were held for each of the agendas for change and cross-cutting themes, and we also looked at rural financial wellbeing, financial wellbeing in minority ethnic communities, energy use and digital inclusion. There were representatives from 96 different organisations who participated in the round tables that input into the recommendations in this delivery plan for Wales.

These recommendations ranged from policy interventions and regulation change to new products and services or identified gaps in our knowledge that requires more research. It was a truly collaborative effort, and I would like to thank everyone who contributed to these groups for their ideas, openness and commitment throughout a very difficult 2020. I would specifically like to thank the independent Chairs of the Challenge Groups and the Wales representatives for their leadership throughout and for helping to steer the process and the quality of the input and discussion in the groups.

Since receiving the recommendations from the Challenge Group Chairs, MaPS has been working with the UK and Welsh government, our advisory groups and others to ruthlessly prioritise and bring together all the rich input from the Challenge Group process and beyond into this plan, which we believe will start to shift the financial wellbeing dial as we recover from the Covid-19 crisis.

This plan sets out the priorities that, if implemented, the MaPS Board believe will significantly transform financial wellbeing in Wales and across the UK. The delivery plan for Wales is published by the MaPS Board in partnership with the Welsh Government, with gratitude for, and in recognition of, the enormous expertise and contribution from the Wales round table participants, Challenge Group members and Chairs, as well as from many others who have shared their time and insights along the way.

Sir Hector Sants
Chair, Money and Pensions Service



Introduction to the delivery plan for Wales 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 Wales. It aims to specifically help those most in need of support, including those in vulnerable financial circumstances.

According to MaPS research, poor financial wellbeing is affecting tens of millions of people across Wales and the UK. 11.5 million people in the UK have less than £100 in savings to fall back on. 9 million people often borrow to buy food or pay for 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 education¹. The UK Strategy for Financial Wellbeing introduced five agendas for change and set national goals to address these problems, 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 Wales and the UK by 2030². The strategy committed to prioritising people most in need, especially those most vulnerable to financial insecurity. We have worked with organisations and experts across the UK to understand the needs of consumers, and the barriers to financial wellbeing that we must address to help more people make the most out of their money and pensions.



1 Unless otherwise stated, all data and statistics in this plan are taken from the UK Strategy for Financial Wellbeing, January 2020

2 moneyandpensionsservice.org.uk/uk-strategy-for-financial-wellbeing

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 has made clear is that too many people do not have enough financial resilience, particularly those who were vulnerable before the pandemic whose financial wellbeing has been impacted most. There is also no doubt about the links between financial wellbeing and people’s physical and mental health.

This delivery plan for Wales will outline the key sector-wide activities that are required for us to achieve the national goals together. The financial wellbeing context in Wales is described in Chapter 1, which lays out the opportunities and challenges we face. Our collective aim is to achieve or exceed all the national goals between now and 2030, and to improve the financial wellbeing of millions of people across the UK, especially those

most in need. MaPS has a key role to play in coordinating the implementation of the UK Strategy for Financial Wellbeing, but it will take a united effort from government, the private sector and third sector to achieve this.

Chapter 2 sets out the policy context for Wales. To ensure this delivery plan adds value in a Wales context, it needs to reflect the Welsh policy environment. It identifies the ministerial responsibilities that financial wellbeing can have a positive impact on.

Chapter 3 provides an update on how the Covid-19 pandemic has influenced our approach. It includes information on the Crisis Response Measures initiated in parallel with the drafting this plan, and how these will help people whose financial wellbeing and resilience have been most affected by Covid-19.

How the delivery plan activities are set out over the length of the strategy			
CRISIS RESPONSE measures ³	Delivery activities to support RECOVERY ⁴	Strategy review & re-prioritisation – 2023/24	Ideas and initiatives that FOCUS ON THE FUTURE
2020–2021	2021–2023		2024–2030
Activities and initiatives already put in place as a response to the pandemic, to help people through its financial wellbeing impacts. See Chapter 3	The key delivery activities for the next 24–36 months that will help us build back better from the pandemic and lay strong foundations for an improvement in financial wellbeing. See Chapter 4		

3 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. You can read their full report [here](#).

4 Some of the delivery activities described in this section have already been initiated but the full impact is yet to be realised.

The recovery phase delivery activities described in Chapter 4 are the focus for this document, where we discuss the impact that these can have both on people in need and on each national goal, with specific attention paid to people most in need, especially vulnerable groups. There is an accompanying document that includes more detail on each activity, capturing the ongoing work of MaPS, the Welsh Government and our partners between now and 2023, and describing how we will collectively contribute to their delivery.

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 overall strategy covers the next 9 years, and Chapter 5 describes how we also need to focus on the future, including the initiatives, possible innovations, research and trials that will help us achieve sustainable change by 2030.

A quick-reference table of these two phases of activity, including foundation work that needs to be started now, is included at the end of this executive summary.

Leading and driving these activities will be a collaborative approach between MaPS and key partners with a common purpose for improving financial wellbeing across Wales and the UK. MaPS' main role is to convene and orchestrate the strategy, and success will be determined by 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.

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 those who are most in need.

MaPS will also act as a focal point for reporting on the impact that the collective efforts of all partners are having in support of achieving the goals. In addition to regular industry surveys, Appendix A describes how we will monitor progress in meeting 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



Between now and 2023

Recovery phase delivery activities: the immediate priorities in Wales for each agenda for change

Agenda for change	Prioritised recovery activity in Wales	Summary of activities	Target date	Leadership and key contributors
Financial Foundations	Essential financial skills training programme 16–24-year-olds	Develop a formal financial awareness assessment process that can be integrated within the Jobs Growth Wales + (JGW+) programme, and that will embed financial education provision into the support offered to young people.	2022	Welsh Government and training providers with support from MaPS.
	School Savers scheme	Continue to work with credit unions to increase the number of school-age children saving regularly.	Ongoing	Welsh Government, credit unions and schools.
	School textbook	Deliver the bilingual Your Money Matters textbook to all secondary schools in Wales and evaluate its impact.	2021	MaPS, Welsh Government, Young Money and schools.
	Digitise Talk, Learn, Do (TLD) content	Scope and engage a digital agency to create and publish TLD content digitally.	2021	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 pathfinders	Following publication of the findings from the Wales pathfinder (Spring 2022), embed e-learning and continue to promote with schools in Wales. Launch in other nations by the end of 2022, with teacher training to commence in Spring 2023, ready for evaluation and next-steps planning by Autumn 2024.	2024	The Welsh Government, regional consortia, higher education institutions, teacher training providers and teaching schools will provide leadership with MaPS in a supportive, coordinating role.
	Support practitioners working with children and young people in vulnerable circumstances	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, including a local authority guide (Spring 2022).	2022	Welsh Government and MaPS will coordinate partners, including the third sector and financial services to fund and deliver specialist support.

Agenda for change	Prioritised recovery activity in Wales	Summary of activities	Target date	Leadership and key contributors
Nation of Savers	Promote opt-in Payroll savings schemes and develop case for alternatives	Financial services and employers, with MaPS coordination and support, will target a significant increase in voluntary take-up of existing opt-in Payroll savings 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 the expansion of these schemes to many more employers. MaPS will also continue to trial new options and innovations for opt-out schemes. The Welsh Government will continue to work with Credit Unions of Wales to promote payroll savings.
	Financial services sector to co-create a savings charter to encourage regular saving	Develop draft of savings charter (2021), test with wider sector, and plan launch and combined messaging on the benefits of regular saving.	2022	A representative mix of financial services providers will develop the first draft of the charter and engage more partners.
	Maximise the take-up of Help to Save and ensure people understand their saving choices once their account matures	HMRC, HMT and MaPS will engage employers, social landlords and others to promote Help to Save (to 2023) and encourage ongoing saving in successor accounts (to 2027) while MaPS works with the financial services sector to build the case for a wider choice of commercial reward-based and other prize-linked saving schemes.	2023 – 2027	HMRC will administer Help to Save on behalf of HMT. MaPS has a key influencing role to engage employers and financial services to encourage take-up and promote future innovations.
Credit Counts	Accessing affordable credit (WG)	Welsh Government will work closely with Credit Unions of Wales as they take forward actions within their 2020 strategy, Building a Credit Union Nation, and will explore opportunities to work with Fair4All Finance on taking forward a No Interest Loan Scheme, working with credit unions to target people most in need.	Ongoing	Welsh Government will continue to work with and invest in credit unions to support growth, membership, lending and, where necessary, subordinated debt.
	Help people avoid the use of, and deal with the consequences of, illegal money lending	Encourage further research into the composition and behaviour of the market: who uses or is at risk of using illegal money lending (IML). Explore how other services, specifically debt advice providers and mortgage lenders, can be supported to better identify loan shark victims and refer them to IML support services.	2021/22	MaPS, Wales Illegal Money Lending Unit, Welsh Government and wider stakeholders will work together to identify people whose financial difficulties have been compounded by the use of illegal lending and signpost them to WIML support services.

Agenda for change	Prioritised recovery activity in Wales	Summary of activities	Target date	Leadership and key contributors
Credit Counts	Develop income maximisation and improved money guidance to help people choose and manage credit	MaPS will work with IncomeMax and other stakeholders to create new guidance on income maximisation, and 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. Welsh Government will build income maximisation into the DAF application.
	Increase awareness of and access to community finance credit products	Using insight from Financial Wellbeing 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 people with mental health issues	Following the development of creditor standards for consumers with mental health problems (from 2020) improve credit sector engagement and support for vulnerable consumers (2022).	2022	The Money and Mental Health Policy Institute will lead with support from MaPS and the wider credit and monetary and debt advice sectors. MaPS will work with NHS Wales and Welsh Government to raise awareness in Wales.
	Work with essential bill creditors to enable people to avoid using credit	Help financially vulnerable people to manage their commitments through targeted help from essential bill creditors, building on existing work by regulators, trade bodies and suppliers.	2022/23	Citizens Advice will lead with support from MaPS, the FCA, the Information Commissioner's Office, Government Digital Service and essential services regulators. MaPS will share learning and progress with creditors that are Wales specific, such as Welsh Water, local authorities, etc.
	Expenditure smoothing to avoid using credit for essential costs	Further research and development of products and services to support people whose income or outgoings fluctuate over the course of a year.	2022/23	The Centre for Responsible Credit (CfRC) is leading a consortium, including the Housing Association Charitable Trust, to develop the rent-flex solution for the social housing sector. The Local Government Association is examining the options for Council Tax smoothing.
Better Debt Advice	Ensure people are confident that they are accessing quality-assured information and advice services	While promoting and embedding quality assurance within the advice sector in Wales, the Welsh Government will maintain the IAQF Wales for social welfare information and advice providers by continuing to develop and administer the IAQF independent assessment service. They will also work with Quality Standard Owners to become an IAQF Wales Accredited Body, and share learning and best practice across Wales, helping more information and advice services to set out on the pathway towards becoming quality assured.	Ongoing	The National Advice Network Wales (NAN), Welsh Government Standard Owners, information and advice providers, local authorities and other funders. MaPS will ensure its standards align with the IAQF Wales.

Agenda for change	Prioritised recovery activity in Wales	Summary of activities	Target date	Leadership and key contributors
Better Debt Advice	Single Advice Fund (WG)	Welsh Government will continue to fund the Citizens Advice Cymru and their partners to deliver the Single Advice Fund. Single Advice Fund Advice and Access Partners will deliver their services through a range of engagement channels (face-to-face, telephone and web-based). Welsh Government will ensure that the majority of the service delivery in the six regions will include face-to-face, through locations in the heart of local communities, where providers will reach those groups who traditionally face additional barriers in accessing help.	To March 2022	Welsh Government will work with the Single Advice Fund service delivery model that includes Access Partners and Advice Delivery Partners. Access Partners are a wide range of third sector organisations that are reaching out to their service users and community groups to ensure people understand how they can access the advice they need.
	Regional Advice Networks (WG)	Regional Advice Networks will support the attainment of commitments within the Information and Advice Action Plan for Wales. To do this they will be mapping advice need and provision and identifying gaps; building referral networks between all advice services; combining their experiences to identify the root causes of common problems; working to embed the role of advice provision within wider public services planning by ensuring that the provision of information and advice is recognised in all relevant strategies and plans; sharing best practice and helping each other to deliver quality-assured advice and encourage and support efficiency, effectiveness and innovation in information and advice service delivery.	Ongoing	Each Regional Advice Network will comprise a membership of regional stakeholders, including advice providers, policy makers and funders with links to the National Advice Network. Welsh Government will provide developmental support to the six Regional Advice Networks. The aim is to demonstrate effective networking, ensuring no door is the wrong door.
	Support implementation of Breathing Space, including Mental Health Access Mechanism (MHAM)	In May 2021 the new Breathing Space launched. Supported by MaPS and others, HMT 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. Welsh Government, NHS Wales and Citizens Advice Cymru will work together to ensure people are able to access support in Wales.
	Broaden debt advice referral partners	Building on the learning from Welsh Government's Single Advice Fund, MaPS will convene sector-wide conversations to examine how the debt advice sector refers people to other specialist advice sectors to ensure that they get the rounded, holistic support they need (2022).	2022	MaPS will be supported by Welsh Government, the wider debt sector, financial services and UK government.

Agenda for change	Prioritised recovery activity in Wales	Summary of activities	Target date	Leadership and key contributors
Future Focus	Develop a retirement planning hub incorporating MaPS pensions dashboard	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 UK government, regulators, financial services companies, trade bodies and employers to increase the reach and impact of the hub. In Wales we will coordinate with Welsh Government, the Older People’s Commissioner for Wales, Local Government Pension Scheme providers, BITC, financial services companies and employers, as well as CBI Wales and FSB Wales.
	Implement a mid-life MOT	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. A task and finish working group will also be convened to co-create a simple, accessible and low-cost solution. Awareness will be raised with employer groups and key partners before a nationwide launch (2022).	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. Enabling employers to provide mid-life MOT guidance for their employees. MaPS in Wales will work with employers, SMEs and employer membership bodies.
	Produce holistic financial wellbeing guidance for later life including specific information for women and diverse ethnic communities	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 partners including CIPD, financial services, the Older People’s Commissioner for Wales, Age Cymru and the Welsh Government to ensure financial guidance in later life meets the specific circumstances of people in Wales who are most in need.
Cross-Cutting Themes	Develop and launch a financial wellbeing digital hub for employers and partners	In 2022 MaPS will start the development of a digital employer 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 will lead the development of the hub and work with partners to provide and test best-practice information, support and guidance on financial wellbeing.
	As part of the digital hub, include specific customer journeys supporting women in the workplace	Specific guidance and customer journeys will be co-created and implemented on the digital hub to reflect the financial wellbeing challenges and needs of women in the workplace.	2022+	MaPS will 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. MaPS will work with Chwarae Teg and the Future Generations Commissioner to link this into Wales policy initiatives.

Agenda for change	Prioritised recovery activity in Wales	Summary of activities	Target date	Leadership and key contributors
Cross-Cutting Themes	Develop and implement a Financial Wellbeing and Health Systems Strategy	Starting in 2022, the NHS, in conjunction with local providers and supported by MaPS, will design, pilot and deliver system-wide financial wellbeing support mechanisms.	2021+	MaPS, NHS Wales, Public Health Wales, Welsh Government will work together to identify ways to embed support into community social work services and relevant primary and community-based mental health services.
	Everyone needs to be digitally confident	Welsh Government’s Digital Communities Wales: Digital Confidence, Health and Well-being programme aims to help organisations embed digital inclusion, develop funding bids to address this area, and provide training to staff and volunteers that improves their digital skills and the skills of the people they support.	Ongoing	Welsh Government, Digital Communities Wales.
	Access to cash	Welsh Government will engage with credit unions and the Banc Cambria project team to enable the provision of banking services across Wales, raising awareness of the availability of fee-free basic bank accounts and the benefits they can bring, engaging with LINK and local community partners to promote the LINK Suggest a Site web page, engaging with LINK and stakeholders to ensure that additional Welsh sites are considered as part of the national rollout of Community Access to Cash Pilots, and prioritising engagement with the Joint Authorities Cash Strategy (JACS) Group.	Ongoing	Welsh Government will lead on increasing access to cash, working in partnership with credit unions and Banc Cambria, community partners, LINK and the Joint Authorities Cash Strategy (JACS) Group.
	Strategic partnership activity from MaPS contributing to the overall plan	The MaPS Partnership Manager for Wales will work with private, public and third sector organisations to embed financial wellbeing into employee, client and customer experiences.	Ongoing	Working with the private, public and third sectors in Wales, MaPS will provide guidance on financial wellbeing support covering strategic guidance, policy, tools and resources.
	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 provide financial support to their customers, to increase capacity, and to help diverse organisations in Wales and across the UK to deliver money guidance well.	2021	MaPS will raise awareness of tools and resources with partners to provide support and guidance on financial wellbeing.

2023 onwards

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 on 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 savings 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
- Help 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 people 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.

A man with a beard and a black beanie is walking towards the camera. He is wearing a bright blue jacket over a yellow t-shirt, khaki trousers, and light-colored sneakers with brown soles. He has a green bag slung over his shoulder. The background is a large, curved wall with a grid pattern and diamond-shaped structural elements. The ground is paved with cobblestones. A blue banner is overlaid at the bottom left of the image.

CHAPTER 1

Financial wellbeing in Wales

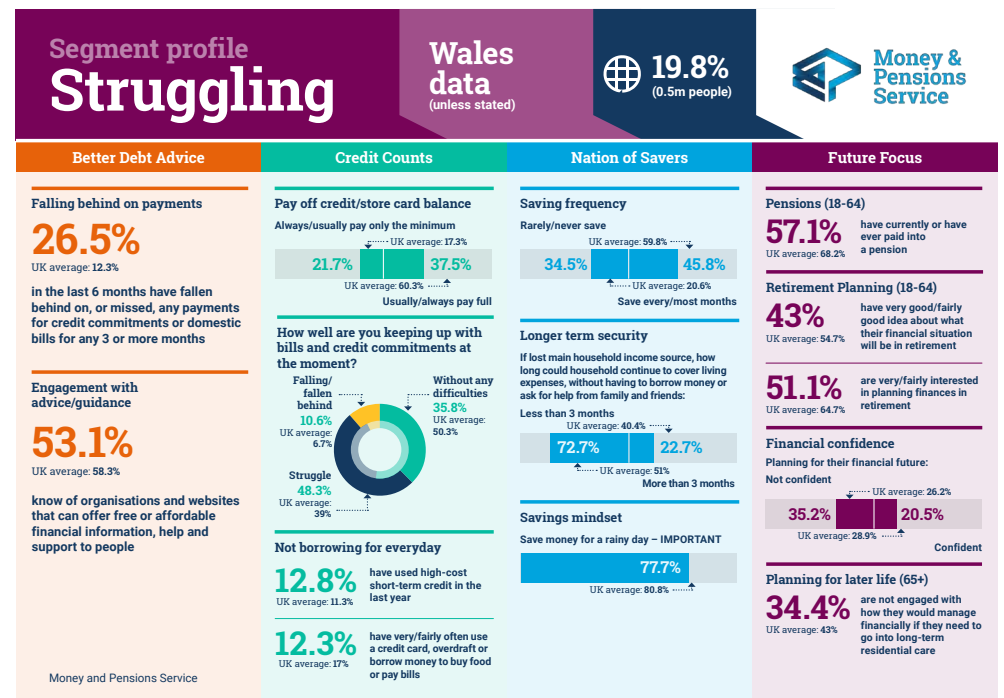
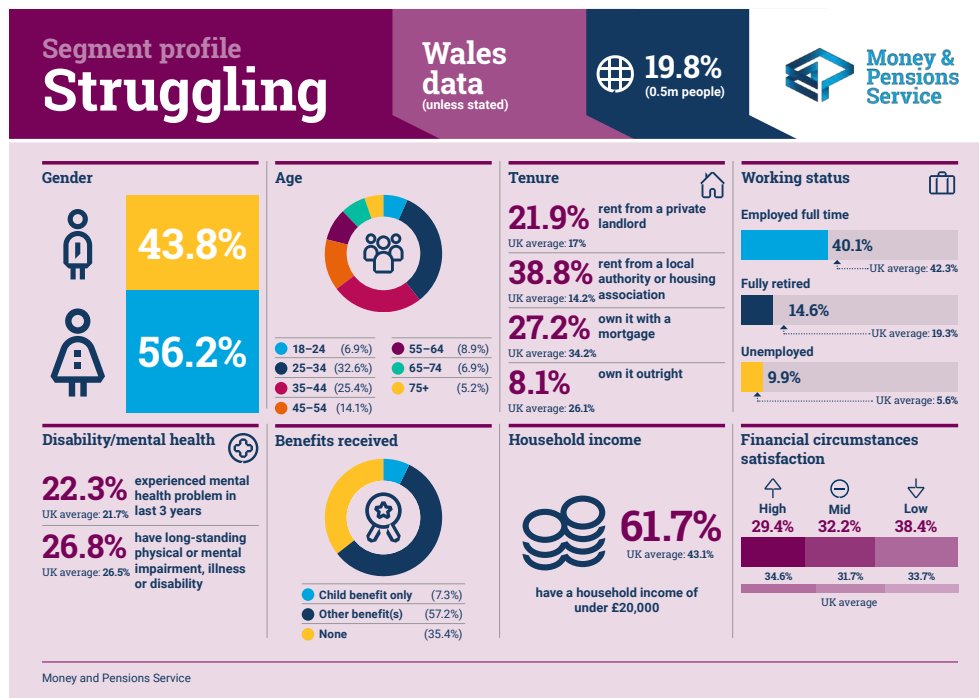
A substantial number of people in Wales face financial difficulty every day and many more are vulnerable to the effects of variations in income, unforeseen costs and problem debt. In this chapter, we will outline the size of the challenge and the key opportunities to meet the national goals and improve the financial lives of hundreds of thousands of people across Wales 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 Wales.

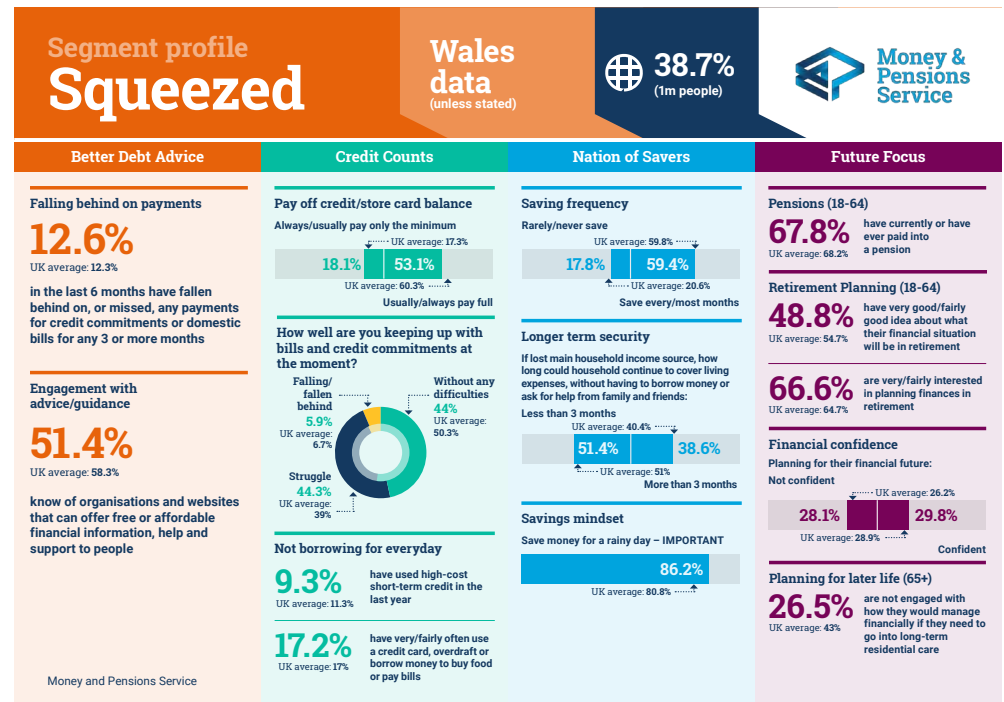
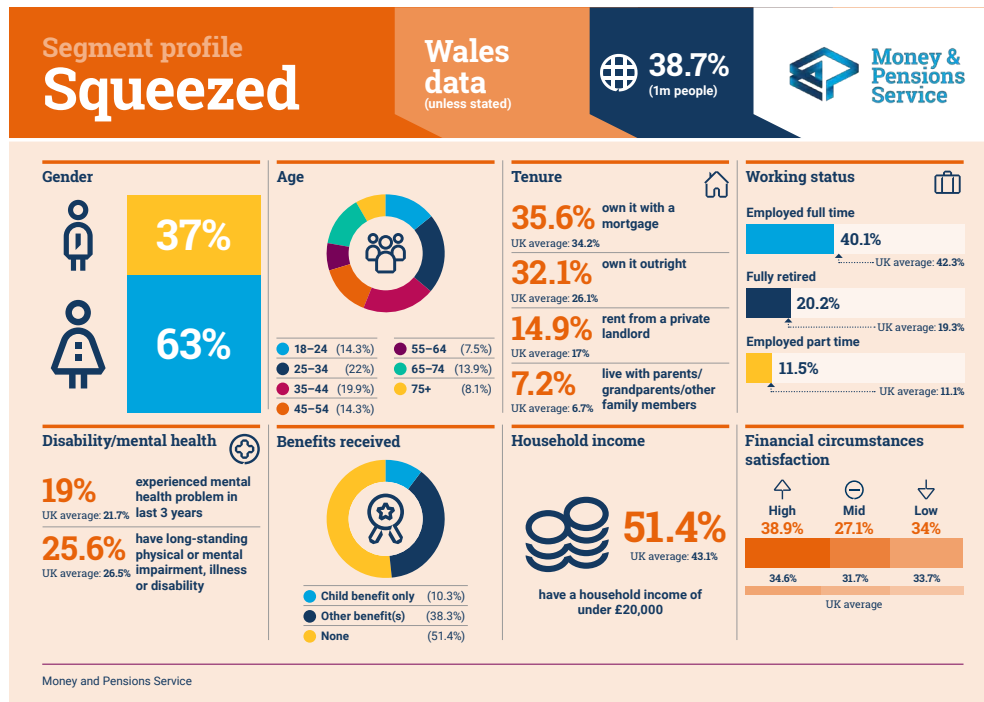
Goals have not been set at a regional or local authority level within Wales because it is recognised that the social and economic conditions across the regions (rural areas, the Valleys, urban settings), combined with a regionalised approach to economic development, mean that priorities and delivery mechanisms will have to be developed separately in each region. A more detailed analysis of the policy and government context in Wales is provided in Chapter 3.

During the listening and activation phases of the strategy, MaPS, members of the Challenge Groups and others analysed the available data on the barriers facing people covered by each agenda and identified opportunities where coordinated activity could have the greatest impact on those most in need.

Key data and analysis of the struggling segment



Key data and analysis of the squeezed segment



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 capability. Financial education should respond to the individual needs of children and young people, be tailored to their life stage and pay attention to the outcomes that are associated with good financial capability. 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 2019⁵, the proportion of children and young people in Wales receiving key elements of financial education at school or at home has increased slightly since 2016 (50% versus 48% in 2016). 62% of children and young people in Wales received pocket money versus 65% in the UK. 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 Wales receive financial education in both the home and school environments. Some key points relevant to Wales are:

- Children in Wales are more involved than children across the rest of the UK in managing their finances, including their bank account, and have more responsibility in deciding how they save and spend money as a whole.
- Nine in ten (89%) of those aged 7 to 11 know what a bank account is (86% in the UK).
- Among those with a bank account, 56% make deposits themselves compared to 48% across the UK.
- Among children aged 7 to 17 who have their own money, 38% save at least monthly (37% in the UK), and 45% save money every time or most times they are given it (47% in the UK).

■ The barriers and the opportunities

Financial education has very strong links to most aspects of future/adult financial wellbeing. The Well-being of Future Generations Act 2015 gives Wales the ambition, permission and legal obligation to improve social, cultural, environmental and economic wellbeing.

The act is unique to Wales and offers a huge opportunity to make a long-lasting, positive change to current and future generations. Financial wellbeing will contribute to the overall goals of both children and young people and future generations.

In Wales, financial education is included in the current primary and secondary school curricula and is an outcome in the literacy and numeracy framework. In the new curriculum due to start delivering in 2022, financial education sits in the Areas of Learning and Experience (AOLE) for both Maths and Numeracy and Health and Wellbeing.

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.

In Wales, the new Financial Education Forum will focus on improving the financial capability of children and young people aged 3 to 24. The forum brings together policy makers, funders and delivery organisations to share information and identify and take forward opportunities for further collaboration. It also provides leadership, advice and support for future developments involving forum members and the wider sector, and promotes excellence in the sector by supporting the quality assurance of financial education resources.

At a Wales and also UK level, the financial services sector already invests heavily in financial education, and MaPS and UK Finance co-chair a financial education steering group that aims to coordinate activity across the sector and channel funding into the areas of most need.

Nation of Savers

In Wales, 84% of adults think it is important to save money for a rainy day. However, 24% rarely or never save, whereas 37% save to pay for planned expenses, purchases or events, and 45% save in case they also have to pay for unexpected expenses or purchases.

Another important measure is the level of saving. In Wales, 27% 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 - or would not be able to pay it.

People dealing with problem debt and high-cost credit may be better off addressing their problem debt before considering 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 the Covid-19 outbreak plunged the UK into the deepest recession in 300 years, around a third of Britons (32%) say they have been able to save more since the pandemic began, which compares favourably to other nations in Europe according to a recent YouGov report⁶. However, the picture is mixed, with three in ten people (31%) being 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 pressures⁷. 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 people to save regularly.

6 yougov.co.uk/topics/finance/articles-reports/2021/06/22/global-survey-uk-has-highest-rate-pandemic-savers-

7 resolutionfoundation.org/publications/wealth-gap-year

Credit Counts

Currently 17% of people in the UK often use credit for food and bills, and this figure is 14% (351,000 people) in Wales.

71% of adults in Wales (1.8 million) say they hate to borrow and would much rather save up in advance. 6% often borrow money to pay off debts and 8% (0.2 million) often borrow from friends and family because they have run out of money.

Characteristics of consumer groups who use credit for everyday food and bills⁸

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

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 these. 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, which 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 credit⁹.

⁸ bristol.ac.uk/geography/research/pfrc/themes/credit-debt/credit-counts

⁹ static1.squarespace.com/static/5f7f734f7e47f08bc961018/t/60dcd93f4e4c433c2bb05da5/1625086280079/Plain_Numbers_Research_Report.pdf

Better Debt Advice

While there is considerable variance across the nations in relation to the underlying causes of debt, it is consistently around 10% of the population who need debt advice, and in Wales around a quarter (23%) of these people seek advice.

The (relatively) low proportion of people in need of advice who access it is a result of two main factors:

- **The amount of supply available:** The amount of supply available has tended to be 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, leading people to put off dealing with their problems until they cannot avoid doing so.

Building on strong foundations

The Welsh Government's Single Advice Fund focuses on effectively promoting early access to holistic advice among more vulnerable households and ensuring that people accessing advice are given the opportunity to develop their resilience to future social welfare problems.

Delivery of debt advice funded by the UK Financial Levy is devolved to the Welsh Government, which has a lead strategic role in increasing access to advice services, although other services also fund debt advice in Wales. The National Advice Network brings together key stakeholders, including funders, advice providers, umbrella organisations and other partners, to discuss the planning and delivery of national and local advice services to ensure individuals and families have access to good and accurate advice and support services. Six Regional Advice Networks have been established across Wales.

The barriers and the opportunities

The funding of debt advice is a devolved matter, and the debt advice funding model, quality assurance and advice policy are specific to Wales. Working collaboratively is essential to ensure systematic change. The MaPS-led UK and industry-wide Debt Advice Steering Group (DASG) convened a working group during the activation phase of the strategy to act as a UK-wide Better Debt Advice Challenge Group. Members represented all elements of the

debt advice sector and had an in-depth understanding of the barriers and opportunities that need to be addressed. The Chair of the National Advice Network represented Wales on this group and chaired the round tables that looked at recommendations through a Welsh lens and considered the opportunities, challenges and gaps.

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. For example, 49% of single parents reported taking on more debt since the start of Covid-19¹⁰. Since January 2021, 10% of Welsh households have fallen behind on a bill while 17% have borrowed money to pay a bill¹¹. 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 both deal with increased levels of debt and advice need and be able to flex and adapt to future shocks.

The additional investment in the sector as a result of the Covid-19 pandemic has helped. However, reaching the goal of 60,000 people accessing better advice 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 putting people in need of advice at the heart of the programme of work, ensuring we relentlessly pursue services that meet customer needs and provide good customer outcomes. For example, building on the research *Delivering a Vision for Debt Advice: Co-designing a service to meet people's needs in Wales*¹².

The aims for the industry over the next ten years are to:

- Deliver high-quality services that fill key gaps in provision for customers most in need and in vulnerable circumstances
- Improve customer journeys to create a holistic service that is efficient 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

¹⁰ stepchange.org/policy-and-research/single-parent-debt-trap.aspx

¹¹ bevanfoundation.org/resources/poverty-in-spring-2021

¹² masassets.blob.core.windows.net/cms/files/000/001/120/original/Delivering_a_Vision_for_Debt_Advice.pdf

Future Focus

It is predicted that one in four of the population of Wales will be over 65 years old by 2038¹³. 57% of working-age adults in Wales (1.1 million) do not feel they understand enough about pensions to make decisions about saving for retirement and 50% do not have much idea (or any idea at all) about what their financial situation will be when they retire. However, 74% (1.4 million) think it is important to put aside money for retirement and 38% have taken actions over the past 12 months to engage with their pension. 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 £156,500¹⁴. New research by Legal & General shows that women have lower pension pot sizes in every age bracket, with the situation significantly deteriorating as they approach retirement. The gender pension gap is 17% at the beginning of women’s careers and reaches 56% at retirement¹⁵.

Six key barriers affecting long-term saving levels

Psychological /behavioural	Present bias means people tend to prioritise the present over the future and are less likely to plan more than seven years ahead.
Cultural	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.
Accessibility	Pensions are generally considered to be inaccessible or directed exclusively towards the wealthy. Use of jargon exacerbates this problem, as does the proliferation of tools and a singular focus on traditional working arrangements.
Digital exclusion	There are socio-economic and national factors that have driven digital exclusion and made it more difficult for affected groups to engage.
Trust	Trust in financial services (as well as in the state or employers) is often low, which can lead to an unwillingness to engage.
Socio-economic	Several factors affect 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 into workplace pension schemes but it does not require as much understanding of pension or active decision making. In parallel, the introduction of pension 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, meaning people are increasingly reaching retirement with multiple defined contribution pots and need to think about how these all interact as part of planning for later life.

When pension 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.

13 gov.wales/sites/default/files/consultations/2019-09/strategic-equality-objectives-2020-2024-consultation.pdf

14 Pensions Policy Institute (PPI) Autumn 2020

15 legallandgeneralgroup.com/media-centre/press-releases/british-women-hit-by-gender-pension-gap-at-every-stage-of-career

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 2016 report by the Money and Mental Health Policy Institute found that people experiencing mental health problems are three and a half times more likely to be in problem debt than people without such problems¹⁶.

Worrying about money can impact on your mental health, while living with a mental health condition can make earning and managing money more difficult. This is why financial wellbeing is so important. Hafal represented Wales at the UK Challenge Group for mental health and hosted a series of stakeholder round tables to agree the mental health content in this delivery plan. We also supported the Welsh Government to translate our Mental Health and Money Toolkit to make it available for people in Wales.

Adrian Nicholas, Mental Health & Money Advice Service Coordinator

Wales has a relatively large rural population. Financial wellbeing will be affected by difficulties posed by limited employment opportunities and access to services. There is a rural premium on some key goods and services due to a lack of competitive markets for food, fuel, energy and transport¹⁷. With some areas experiencing lower-quality digital connectivity, living in rural Wales can often mean a higher cost of living. When this is combined with the seasonal nature of significant parts of the rural economy, such as farming and tourism, many people may use different routes to find financial wellbeing.

Recent research by NOW: Pensions¹⁸ and Scottish Widows¹⁹ 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. Chwarae Teg research found a mixed picture across Wales, with gender pay gaps as high as 25% in some

areas²⁰. These and other reports support the aims of the UK strategy to have specific interventions to improve the financial wellbeing of women.

Delivery of the strategy should also take into account the different demographic make-up of Wales. Using ethnicity as an example, data from the most recent census for which results are available (2011) showed that 20.1% of the population of Cardiff identified themselves as being members of the Asian, Black, Mixed or Other ethnic groups, whereas the equivalent figure in Pembrokeshire was just 1.3%²¹. While ethnicity alone is not an indicator of poor financial wellbeing, there is evidence of greater financial disadvantage in many ethnic minority communities. Capacity building and investment in frontline community partnerships and grassroots organisations can improve the effectiveness of any intervention.

In 2021 up to 10% of the adult population in Wales – an estimated 255,000 people²² – were reported as being non-internet users, a level of digital exclusion that is driven by high cost, lack of access or low levels of understanding of digital and online services. With this and other indicators of digital exclusion in mind, it was recognised that some people would be unable to benefit from new products, online training or other digital-only interventions and that strategy recommendations needed to include proposals that were accessible to those not comfortable with addressing their personal finances or accessing training via digital platforms.

Solutions need to be based on solid research and clear insights derived from disaggregated data. The activities with the greatest potential impact on people most in need and subject to vulnerability will be those that are person centric, aligned to key life events, co-created with people with lived experience, and delivered with and by front-line community groups and other trusted intermediaries.

16 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.

17 wcpp.org.uk/publication/rural-poverty-in-wales

18 nowpensions.com/app/uploads/2020/12/NP-gender-pensions-gap-report.pdf

19 adviser.scottishwidows.co.uk/assets/literature/docs/2020-women-retirement-report.pdf

20 chwaraeteg.com/wp-content/uploads/2021/02/State-of-the-Nation-2021.pdf

21 stats.wales.gov.wales/Catalogue/Equality-and-Diversity/Ethnicity/ethnicity-by-area-ethnicgroup

22 gov.wales/digital-inclusion-forward-look-towards-digitally-confident-wales-html

Through its Socio-economic Duty, the Welsh Government is committed to safeguarding equality and human rights. The duty gives us an opportunity to do things differently in Wales and puts tackling inequality at the heart of decision making by building on the good work that public bodies are already doing to reduce inequality across the public sector. It is the aim of the Welsh Government to build on this strong foundation by recognising and welcoming the differences in public-body approach and the innovation this provides in delivering the duty.

As a public body, MaPS is bound by and 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 people 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 particular needs of all groups and individuals with protected characteristics across the UK are front and centre in the codesign and delivery of financial wellbeing interventions, research and data gathering.

Under the Financial Guidance and Claims Act 2018, MaPS is subject to requirements to take particular account of the needs of people in vulnerable circumstances. Although this obligation refers to our services (delivered directly or commissioned), it also has a wider influence on our strategic and policy approach to enhancing the wellbeing of the population of Wales and the UK.

Helen Antoniazzi, the director of policy and communications at Chwarae Teg, Wales' leading gender equality charity, said:

The Covid-19 pandemic has exposed the entrenched inequalities that have long existed within our society. As we recover from the pandemic, we have an opportunity to rebuild in a more caring, fair and equal way. This is an opportunity to bring about long-term structural change; to be innovative and to create policy designed for the people it aims to serve. At Chwarae Teg, when we talk about achieving gender equality, we are unequivocal that this means equality for all women. In order to achieve this, we need to focus on the most marginalised first; the women who face the greatest barriers and disadvantage. We welcomed the opportunity to work with the Money and Pensions Service at both a Wales and UK level as part of their intersectional approach to the development of their strategy and delivery plan. Entrenched economic inequalities mean that women dominate in sectors and jobs associated with low pay, insecure contracts and poor working conditions. They are more likely to work part-time or fewer hours, and are less likely to hold managerial or director positions. In Wales, 41% of women work part-time, nearly four times more than men, and women make up only 39% of managers, directors and senior officials. It is for these reasons that it is essential that any strategies seeking to improve financial wellbeing take the needs of women into account and work to tackle the barriers that they face.

In March 2020 the Welsh Government launched a plan to advance gender equality in Wales. This plan leads from the Deeds not Words report and the roadmap that set out recommendations for the Welsh Government and others in Wales to advance gender equality in the short, medium and long term.



CHAPTER 2

Policy context in Wales

For this delivery plan to add value in a Wales context, it needs to reflect the Wales policy environment. Wales has had its own government since 1999, which was granted further law-making powers in 2011, enabling it to create legislation in all 20 areas devolved to Wales, as set out in Schedule 7 to the Government of Wales Act 2006.

Financial Wellbeing contributes to the outcomes of the following Welsh Government Ministerial Responsibilities 2021

Cross Cutting Strategies – Prosperity for All: Prosperous & Secure; Healthy & Active; Ambitious & Learning; United & Connected. Adverse Childhood Experiences



Building on a policy map originally created by the MaPS Wales forum, the diagram on page 28 shows where and how financial wellbeing contributes to the fulfilment of Welsh Government ministerial portfolios and responsibilities, following the elections and creation of a new cabinet in May 2021. The following paragraphs highlight the relevant policy objectives in the Wales-specific environment that this delivery plan needs to complement.

The Welsh Government’s 2016 Financial Inclusion Strategy²³

This strategy, is focused on three core themes:

- Access to affordable credit and financial services
- Access to financial information, including debt advice
- Building financial understanding and capability

In November 2020 the Deputy Minister for Housing and Local Government agreed that the 2016 Financial Inclusion Strategy would not be renewed in March 2021. However, over 40 officials from across Welsh Government departments have attended round tables hosted by MaPS to ensure that the policy aims of the Welsh Government would be taken into account within this delivery plan. This collaborative approach is set out in the Well-being of Future Generations (Wales) Act 2015.

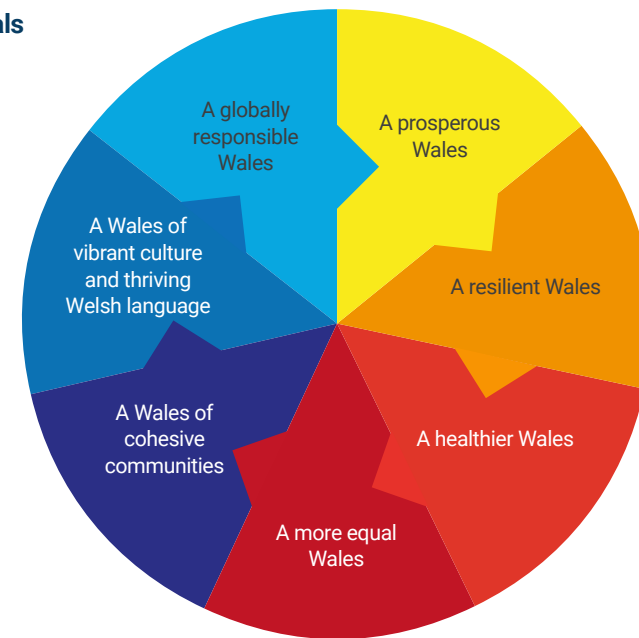
Cross-cutting Welsh government policy

The Well-being of Future Generations (Wales) Act 2015²⁴ introduced seven legally binding common wellbeing goals. The act also provides the basis for driving a different kind of public service in Wales, with five ways of working²⁵ to guide how public services should deliver for people. These ways of working ensure that in Wales we consider:

Long term: The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs

Prevention: How acting to prevent problems occurring or getting worse may help public bodies meet their objectives

Wellbeing goals



Integration: Considering how public bodies’ wellbeing objectives may affect each of the wellbeing goals, their other objectives or the objectives of other public bodies

Collaboration: Acting in collaboration with any other person (or different parts of the public body itself) that could help the public body meet its wellbeing objectives

Involvement: The importance of involving people with an interest in achieving the wellbeing goals and ensuring that these people reflect the diversity of the area that the body serves

The approach described by these ways of working is mirrored in the approach we have adopted in this delivery plan for Wales.

23 gov.wales/financial-inclusion-strategy

24 gov.wales/well-being-future-generations-wales-act-2015-guidance

25 gov.wales/docs/dpsp/publications/180119-future-generations-framework-service-designv2-en.pdf

The Programme for Government 2021 to 2026²⁶ consists of almost 100 specific areas of activity. Responsibility for all of these areas will rest with the First Minister and the full Cabinet because they require the highest level of coordination and integration across the whole of government.

The Socio-economic Duty²⁷ came into force on 31 March 2021. The duty requires specified public bodies to consider how strategic decisions such as deciding priorities and setting objectives might help reduce the inequalities associated with socio-economic disadvantage.

Relationship between Welsh Government policy and MaPS strategic goals

Agendas for change

Financial Foundations: Policy for children and young people is devolved to the Welsh Government. This includes education, childcare, parenting, apprenticeships etc. Legislation of particular importance includes the Rights of Children and Young Persons (Wales) Measure 2011 (Measure of the National Assembly for Wales) and the Children and Families (Wales) Measure 2010 (Measure of the National Assembly for Wales).

The Curriculum for Wales²⁸ is due to be rolled out from September 2022, with primary schools being the first to switch to the new curriculum and secondary schools following in 2023. Financial education is included in both the Maths and Numeracy Area of Learning and Experience (AOLE) and the Health and Wellbeing AOLE.

The Welsh Government's Child Poverty Strategy sets out objectives for tackling child poverty, including action to help maximise household income. The Welsh Government also worked with stakeholders and partners to develop and launch the income maximisation action plan 2020 to 2021²⁹, which set out a series of practical actions to help maximise the incomes of families living in poverty in Wales, reduce essential living costs, and support help them to build their financial resilience. The outcomes from a number of pilot programmes will help inform future work in this area.

²⁶ gov.wales/programme-for-government-2021-to-2026

²⁷ gov.wales/socio-economic-duty-overview

²⁸ hwb.gov.wales/curriculum-for-wales

²⁹ gov.wales/child-poverty-income-maximisation-action-plan-2020-2021

³⁰ gov.wales/sites/default/files/publications/2018-11/information-and-advice-action-plan.pdf

³¹ gov.wales/sites/default/files/publications/2019-06/the-strategy-for-older-people-in-wales-2013-2023.pdf

Nation of Savers: The Welsh Government has facilitated projects aimed at increasing membership of credit unions, including working with employers across Wales to offer payroll savings schemes to support the financial wellbeing of staff by improving financial resilience. The Welsh Government has supported Cambria Cydfuddiannol Limited (CCL) with the initial development of their Banc Cambria community banking proposition. The intention is that Banc Cambria will provide a current account, mortgages, personal loans and savings.

Credit Counts (Access to Affordable Credit): As part of their financial inclusion delivery plan, the Welsh Government is working with credit unions to support their capital reserves so they are in a strong position to continue to provide affordable credit. The Discretionary Assistance Fund (DAF) in Wales replaced crisis loans and community care grants that were previously provided by the Department of Work and Pensions. The DAF provides urgent grants to people in Wales as a last resort, and these grants do not have to be paid back.

Better Debt Advice: Delivery of debt advice funded by the UK Financial Levy is devolved to the Welsh Government, which has a lead strategic role in increasing access to advice services, although other services also fund debt advice in Wales. Details of the Welsh Government's social welfare law advice policy, which includes debt, can be found in the information and advice action plan for Wales 2016³⁰.

The National Advice Network (NAN) brings together key stakeholders, including funders, advice providers, umbrella organisations and other partners, to discuss the planning and delivery of national and local advice services. NAN advises Welsh Government ministers to ensure individuals and families have access to good and accurate advice and support services. Six Regional Advice Networks have been established across Wales.

Future Focus: Although pensions legislation is not devolved, social policy for older people can significantly support this agenda in Wales. The Strategy for Older People in Wales 2013–2023 delivery plan³¹ details the actions the Welsh Government is taking (or planning to take) to ensure the wellbeing of all older people in Wales.

Age Friendly Wales: Our Strategy for an Ageing Society sets out the actions the Welsh Government will take to ensure Wales can reap the benefits of growing numbers of older people in our communities. The four national aims are to enhance wellbeing, improve local services and environments, build and retain people's own capability, and tackle age-related poverty.

Cross-Cutting Themes

Mental health: Together for Mental Health – A Mental Health and Wellbeing Strategy for Wales was launched in October 2012. It sets out a vision for 21st century mental health services with the aim of promoting mental wellbeing and preventing mental health problems, as well as improving mental health services. The goal is to ensure that people of all ages experience sustained improvement to their mental health and wellbeing as a result of government-wide commitment to all sectors working in areas including finance and money. This acknowledges the negative effects of poverty and the need to support people who, because of illness, may neglect their personal finances and have debt problems. The review of the Together for Mental Health Delivery Plan 2019–22³² in response to Covid-19 has now been published.

Gender: The Advancing Gender Equality in Wales Plan³³ published in March 2020 follows on from the Deeds not Words report and the associated roadmap that set out recommendations for the Welsh Government and others in Wales to advance gender equality in the short, medium and long term. In March 2019 the Welsh Government signed up to a vision and principles for gender equality in Wales. The vision is 'A gender equal Wales means an equal sharing of power, resources and influence for all women, men and non-binary people'. This is a vision where the government aims to create the conditions for equality of outcome for all. Chwarae Teg's 2021 State of the Nation report states that Wales still sees significant gender segregation across sectors and occupations in Wales. This contributes to the gender pay gap as pay rates vary across different employment sectors, and this gender in employment differentiation has left

women at particular risk from Covid-19, both in terms of exposure to the virus but also in relation to its economic impact³⁴.

Digital inclusion: It is widely recognised that digital exclusion and financial exclusion are very closely linked. The Welsh Government has outlined areas of focus to be addressed in the Digital Inclusion Forward Look 2021³⁵ alongside the continued delivery of the Digital Communities Wales: Digital Confidence, Health and Well-being (DCW) programme. Working collaboratively with the Centre for Digital Public Services (CDPS), the overarching aim is to develop and publish a new framework by Winter 2021 aimed at stakeholders who are already, or should be, supporting those lacking digital confidence. Coverage from conventional fixed-line networks continues to improve but around 50,000 homes and businesses in Wales are still unable to receive a decent broadband service. Increased coverage from fixed wireless networks, including those of the mobile operators, provides an alternative to a fixed-line connection but Ofcom estimates that this still leaves approximately 18,000 premises in Wales without any decent broadband service at all³⁶.

Rural issues: There is no single official definition of rural Wales. At a local authority scale, rural Wales is commonly understood to be the nine predominantly rural counties that comprise 82% of the land area of Wales and are home to 32% of the national population. There are also pockets of rural areas in other local authority areas in Wales. The population of rural Wales is older than that of urban areas and is becoming more elderly. The economy of rural Wales is heavily weighted towards micro-enterprises. More than nine out of ten enterprises operating in rural counties have fewer than ten employees, and these businesses employ nearly half of all workers in rural counties³⁷. Roughly one in six workers in rural counties of Wales are self-employed (17.4%), compared to 14% of the Welsh workforce overall. An estimated 15,500 households in rural Wales could not access broadband with download speeds of at least 10Mbps, the threshold defined by the UK as 'decent broadband provision'³⁸. One in two Welsh speakers lives in the rural counties of Wales³⁹.

32 gov.wales/sites/default/files/publications/2020-10/review-of-the-together-for-mental-health-delivery-plan-20192022-in-response-to-covid-19_0.pdf

33 gov.wales/sites/default/files/publications/2020-03/advancing-gender-equality-plan.pdf

34 chwaraeteg.com/wp-content/uploads/2021/02/State-of-the-Nation-2021.pdf

35 gov.wales/digital-inclusion-forward-look-towards-digitally-confident-wales

36 ofcom.org.uk/_data/assets/pdf_file/0020/186410/connected-nations-2019-wales-report.pdf

37 rural-urban.eu/sites/default/files/Rural%20Vision%20Evidence%20Report%20Final%20Eng.pdf

38 ofcom.org.uk/_data/assets/pdf_file/0020/186410/connected-nations-2019-wales-report.pdf

39 gov.wales/welsh-language-data-annual-population-survey-october-2019-september-2020



CHAPTER 3

Our response to the Covid-19 crisis – 2020 to 2021

The Covid-19 crisis has 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 at the end of 2020 and very early in 2021⁴⁰. 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 stakeholders, including MaPS and its partners, assumed that demand for debt advice would increase quickly and significantly. In fact, demand decreased. This was largely as a result of UK and Welsh Government policy interventions, including the Coronavirus Job Retention Scheme, FCA payment deferrals and lender forbearance, which removed or postponed the usual triggers to seek debt advice such as bailiffs and landlords taking action to recover 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 currently 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 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 drop was largely associated with higher-income consumers. However, the focus of this goal are people on lower or more variable incomes who use credit for everyday essentials – the same people most affected 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 2021/22, 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 in terms of the amounts people are saving into pensions. Care must also be taken about the potential proliferation of scams and greater incidence of sub-optimal 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. These were grouped into four themes and included a proposal for a consumer-facing campaign to improve awareness of financial wellbeing. MaPS responded⁴¹ to these recommendations at the time.

Wales round tables and representatives on the UK Challenge Groups

In Wales, MaPS held round tables with Wales-based UK Challenge Group members, which focused on immediate priorities and sought to better understand the opportunities, challenges and gaps of the Covid-19 environment. Outputs from these events were subsequently published in our November 2020 report on building Wales's financial wellbeing after Covid-19⁴². The purpose of this report was to outline actions that could be taken in the short term to rebuild financial wellbeing in Wales until the end of 2021. It also outlined the story so far as it relates to the development of activities to deliver the ambitious longer-term goals of the UK strategy in Wales by 2030.

40 moneyandpensionsservice.org.uk/2021/05/27/impact-of-covid-19-on-financial-wellbeing

41 moneyandpensionsservice.org.uk/wp-content/uploads/2020/11/Building-the-UKs-financial-wellbeing-in-the-light-of-Covid-19-MaPS-response.pdf

42 moneyandpensionsservice.org.uk/wp-content/uploads/2020/11/Building-Wales-financial-wellbeing-after-Covid-19.pdf

1. Moments that matter

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.

Moments that matter

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.

2. Vulnerable circumstances

Covid-19 has amplified the circumstances that were already causing vulnerability for millions of people and generated fresh vulnerabilities for many more.

- **Raising awareness of support and guidance:** In November 2020 Talk Money Week focused on Money S£cr£ts and aimed to encourage people to open up about personal finance. 11 million people were reached by this campaign.

- **Service delivery:** MaPS refocused services and channels, including the creation of a new Coronavirus hub (viewed more than 1 million times*), a Facebook group (11,000 participants) and an online Money Navigator tool.

- **Holistic support:** Pensions guidance specialists trained and re-focused their service to help with wider money queries. Specialist pensions guidance was enhanced in response to emerging scams and risks to pension savings.

- **Parent/carer and child money conversations:** NatWest Group and MaPS have partnered to offer Talk, Learn, Do content to NatWest employees and customers across the UK.

- **Government learning frameworks:** The Welsh Government is building financial awareness into the new Jobs Growth Wales+, an employability programme to support 16–18-year-olds, with delivery due to start in March 2022.

- **Rapid recovery challenge:** Jointly funded by NESTA, JP Morgan, DWP and MaPS, this funding programme aims to support 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.

- **FCA guidance:** Published in January 2021, this guidance provides a clearer picture of how financial services firms could and should better meet the needs of consumers in vulnerable circumstances⁴³.

- **Money support resources:** Published by the National Academy for Social Prescribing (NASP), Mental Health UK and MaPS, a toolkit of new money support resources was distributed through the social prescribing network⁴⁴. A Welsh language version was published by the Welsh Government in February 2021 with support from Hafal.

- **Economic Abuse Evidence Form:** A 12-month pilot of a form enabling debt advisers to provide evidence to creditors of the impact of economic abuse on customers was launched in late 2020 with creditors and credit reference agencies, including Lloyds Banking Group, HSBC, NatWest Group and Cabot Financial. Money Advice Plus will use the form where victim-survivors have experienced at least one type of coerced debt.

- **Capacity and capability:** The Money Guiders pilot aims to help organisations and practitioners deliver good quality money guidance to some of the most vulnerable people in the UK.

⁴³ [fca.org.uk/publications/finalised-guidance/guidance-firms-fair-treatment-vulnerable-customers](https://www.fca.org.uk/publications/finalised-guidance/guidance-firms-fair-treatment-vulnerable-customers)

⁴⁴ 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.

- **Local Government Hardship Fund:** Introduced by the Welsh Government in response to Covid-19, this fund supports initiatives such as free school meals, self-isolation payments and an enhancement to social care workers' sick pay.
- **Discretionary Assistance Fund:** A further £10.5 million was made available by the Welsh Government to continue the support needed in light of Covid-19.
- **Mandatory guidance:** Published by the FCA for firms to help 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. This guidance was updated in January 2021⁴⁵.
- **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. Additional monies were also obtained for Northern Ireland, Scotland and Wales⁴⁶.
- **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:** The Money and Mental Health Policy Institute and MaPS are focusing on creditor and debt advice sector standards for 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.

- Welsh Government plans for a Universal Basic Income pilot are at an early stage, but look to be focused on a small, targeted group, possibly care leavers.
- Promotion of HMRC's Help to Save scheme targeting anyone newly eligible for Universal Credit as a result of the Covid-19 crisis.
- In Wales and England, the implementation of a statutory debt respite scheme (Breathing Space) that includes a specific Mental Health Access Mechanism (MHAM).

⁴⁵ [fca.org.uk/publication/finalised-guidance/consumer-credit-coronavirus-tailored-support-guidance-jan-2021.pdf](https://www.fca.org.uk/publication/finalised-guidance/consumer-credit-coronavirus-tailored-support-guidance-jan-2021.pdf)

⁴⁶ [moneyandpensionsservice.org.uk/2020/06/09/extra-38-million-for-debt-support-in-england-in-the-wake-of-coronavirus](https://www.moneyandpensionsservice.org.uk/2020/06/09/extra-38-million-for-debt-support-in-england-in-the-wake-of-coronavirus)



CHAPTER 4

Activities to support recovery – now to 2023

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 longer-term impact on the number of people saving regularly and planning for later life. However, this work has also highlighted that there are financial trade-offs that people need to make between paying off debt, using credit and 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.

As part of MaPS' role as coordinator of the UK strategy, an evaluation framework will be established to enable the assessment of each activity and identify where further developments and new initiatives are required.

The following section focuses first on the agendas for change and also the cross-cutting activities that affect multiple agendas for change. It sets out the strong foundations required to ensure that each of the key delivery activities will have the maximum positive impact on the financial wellbeing of those most in need.

There is an accompanying document called the Wales Delivery Plan – Progress Report that lists the activities within this plan, highlighting activities that will have to be carried out to implement the plan and providing contextual information about evidence, key partners and impact.

Financial Foundations

Helping around 90,000 more children and young people in Wales to get a meaningful financial education

Financial education has very strong links to most aspects of financial wellbeing. In Wales, financial education is included in the both the primary and secondary school curricula and is an outcome in the literacy and numeracy framework. In the new curriculum, financial education sits in the Areas of Learning and Experience (AOLE) for both Maths and Numeracy and Health and Wellbeing. School saving schemes run in primary and secondary schools can, once set up, be organised by pupils themselves, who can act as junior cashiers under the supervision of a teacher, another member of staff or a parent. Helping teachers to feel confident delivering financial education through resources and professional learning is essential.

Teacher training partnership with the Welsh Government and Young Money

The teacher training pathfinder being delivered by Young Money in partnership with the 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.

Financial education in the home, in government training programmes and in other youth settings is also a priority. Talk, Learn, Do (TLD) was developed and piloted in Wales. It helps parents/carers teach their children about money with the aim of improving financial capability. Content and materials have to be adapted to make it digitally accessible, interactive and engaging for a wider variety of parents and practitioners. The TLD programme will also be expanded to include content for teenagers and young people, enabling parents of older children to support their transition into adulthood.

We need to improve the confidence and skills of practitioners, parents, carers and guardians of children and young people in vulnerable circumstances, embedding the delivery of financial education into initial training (and continuing professional development).

Building on the extensive work already underway, the delivery activities on the following page will combine to address key gaps and overcome current barriers in financial education, with a focus on helping parents and practitioners discuss finances with children and young people. Collaboration and support from banks, building societies, educational institutions, government departments and MaPS is vital to their success.

The key initiatives and programmes that will have a significant impact on levels of financial wellbeing for children and young people over the next 3 years:

Financial Foundations			
Prioritised recovery activity in Wales	Activity and target date	Leadership and key contributors	
Essential financial skills training programme 16–24-year-olds	Develop a formal financial awareness assessment process that can be integrated within the Jobs Growth Wales + (JGW+) programme, and that will embed financial education provision into the support offered to young people.	2022	Welsh Government and training providers with support from MaPS.
School Savers scheme	Continue to work with credit unions to increase the number of school-age children saving regularly.	Ongoing	Welsh Government, credit unions and schools.
School textbook	Deliver the bilingual Your Money Matters textbook to all secondary schools in Wales and evaluate its impact.	2021	MaPS, Welsh Government, Young Money and schools.
Digitise Talk, Learn, Do (TLD) content	Scope and engage a digital agency to create and publish TLD content digitally.	2021	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 pathfinders	Following publication of the findings from the Wales pathfinder (Spring 2022), embed e-learning and continue to promote with schools in Wales. Launch in other nations by the end of 2022, with teacher training to commence in Spring 2023, ready for evaluation and next-steps planning by Autumn 2024.	2024	The Welsh Government, regional consortia, higher education institutions, teacher training providers and teaching schools will provide leadership with MaPS in a supportive, coordinating role.
Support practitioners working with children and young people in vulnerable circumstances	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, including a local authority guide (Spring 2022).	2022	Welsh Government and MaPS will coordinate partners, including the third sector and financial services to fund and deliver specialist support.

Vicky Wales, Chief Customer Officer at Principality Building Society, said:

“The financial wellbeing delivery plan for Wales is a real collaboration to bring about meaningful and lasting change to the way young people and children learn about money. It is a great support to help them learn how to build up savings and financial resilience. We are proud to have played a part in helping bring the strategy to life in Wales and shaping the delivery plan on behalf of our members. It’s inspiring to see so many different organisations unite to help communities.

“As a business, we have focused on financial education for some time, with multi-year charity and school partnerships, the development of in-house learning resources for parents and teachers, and last year we launched our very first educational app. We look forward to building on these activities further, which will involve a variety of delivery partners and the return of colleague volunteering in schools when the time is right.”

Nation of Savers

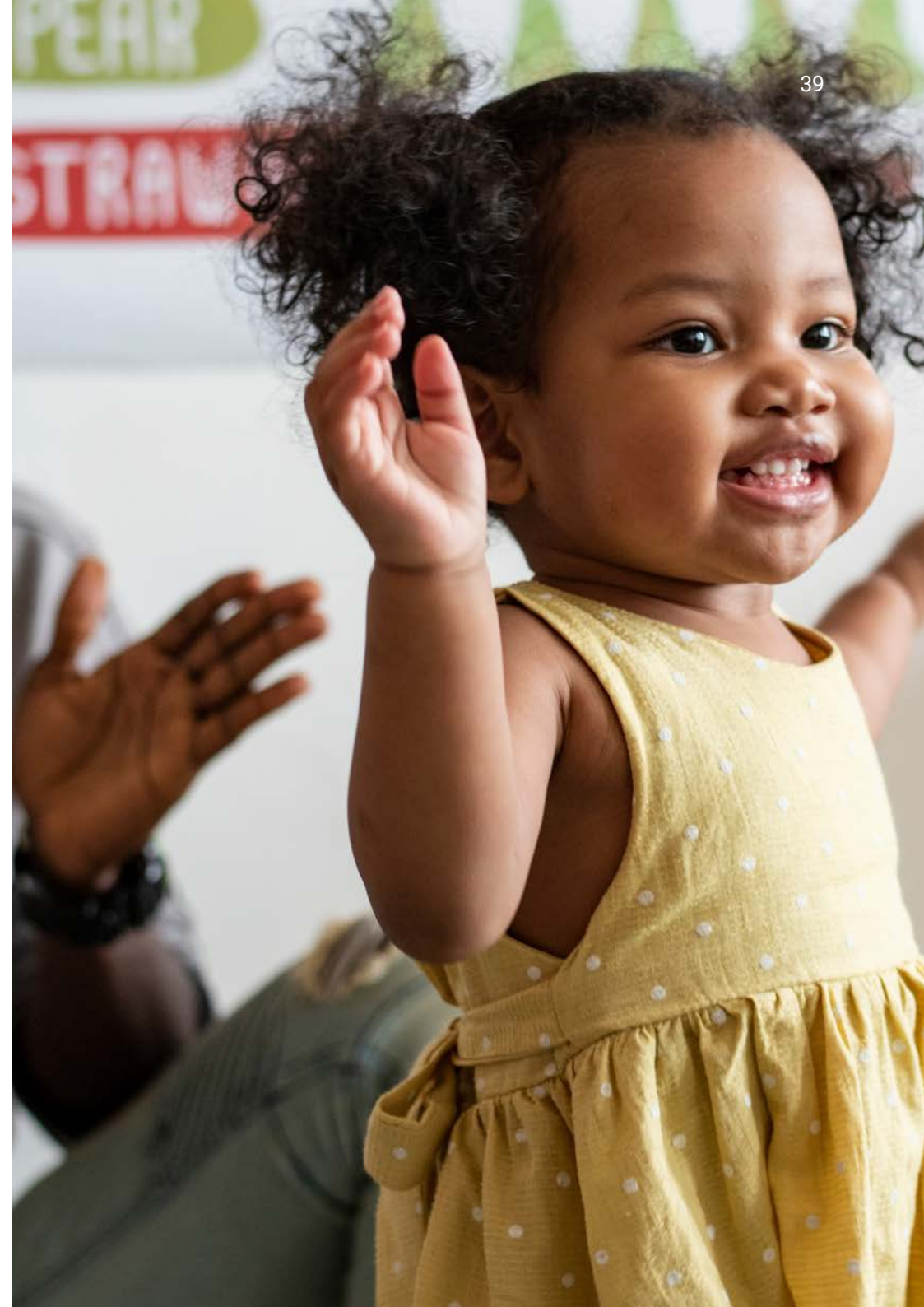
The delivery activities in this area combine to address the key barriers to prioritising saving, tapping into the right motivations and addressing issues around accessibility. This can only be achieved with a collaborative approach between key organisations, particularly financial services, government at a Wales and UK level and MaPS, along with employers as intermediaries to enable access to savings products.

The Deputy Minister wrote to all anchor companies in Wales, and the UK Secretary of State for Work and Pensions wrote to the FTSE100, encouraging firms to consider establishing payroll savings schemes. This level of Welsh and UK governmental support is a hugely positive step as there is now a broad range of commercial products that allow businesses to offer this option to their workers.

In each of these important activities, the foundations of what we want to achieve are in place. For example:

Payroll savings schemes have been trialled and tested (and need to be rolled out further). The Help to Save scheme has been live since 2018, and should be better promoted through the workplace to reach more consumers.

Key partners in the bank and building society sectors have already committed to the savings charter.



The focus until the end of 2023 is to develop these three programmes and generate momentum.

Nation of Savers		
Prioritised recovery activity in Wales	Activity and target date	Leadership and key contributors
Promote opt-in payroll savings schemes and develop case for alternatives	Financial services and employers, with MaPS coordination and support, will target a significant increase in voluntary take-up of existing opt-in payroll savings 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 the expansion of these schemes to many more employers. MaPS will also continue to trial new options and innovations for opt-out schemes. The Welsh Government will continue to work with Credit Unions of Wales to promote payroll savings.
Financial services sector to co-create a savings charter to encourage regular saving	Develop draft of savings charter (2021), test with wider sector, and plan launch and combined messaging on the benefits of regular saving.	2022 A representative mix of financial services providers will develop the first draft of the charter and engage more partners.
Maximise the take-up of Help to Save and ensure people understand their saving choices once their account matures	HMRC, HMT and MaPS will engage employers, social landlords and others to promote Help to Save (to 2023) and encourage ongoing saving in successor accounts (to 2027) while MaPS works with the financial services sector to build the case for a wider choice of commercial reward-based and other prize-linked saving schemes.	2023 – 2027 HMRC will administer Help to Save on behalf of HMT. MaPS has a key influencing role to engage employers and financial services to encourage take-up and promote future innovations.

Credit Counts

We need to understand more about how people make credit decisions, what can influence them to seek help with their credit commitments and how credit use behaviours 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. 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).

As set out on page 42, gathering more insights, along with behavioural trials, will underpin the activities and inform the development and reach of appropriate guidance. These insights will also support service development, both by MaPS and through trusted intermediaries, as it is known that consumers do not always seek guidance when making credit decisions or managing credit commitments.

Bill Hudson, CEO at ACE Credit Union Services, said:

“Financial wellbeing for individuals and communities is essential and that is why ACE Credit Union Services represented Wales at one of the UK Challenge Groups and hosted Wales round tables. Credit unions have a huge role to play in helping children and young people (as well as adults) develop a savings habit, and provision of affordable credit, payroll savings and community financial wellbeing is at the heart of this delivery plan for Wales. Credit unions are well placed to help deliver these priorities.”



Credit Counts		
Prioritised recovery activity in Wales	Activity and target date	Leadership and key contributors
Accessing affordable credit (WG)	Welsh Government will work closely with Credit Unions of Wales as they take forward actions within their 2020 strategy, Building a Credit Union Nation, and will explore opportunities to work with Fair4All Finance on taking forward a No Interest Loan Scheme, working with credit unions to target people most in need.	Ongoing Welsh Government will continue to work with and invest in credit unions to support growth, membership, lending and, where necessary, subordinated debt.
Help people avoid the use of, and deal with the consequences of, illegal money lending	Encourage further research into the composition and behaviour of the market: who uses or is at risk of using illegal money lending (IML). Explore how other services, specifically debt advice providers and mortgage lenders, can be supported to better identify loan shark victims and refer them to IML support services.	2021/22 MaPS, Wales Illegal Money Lending Unit, Welsh Government and wider stakeholders will work together to identify people whose financial difficulties have been compounded by the use of illegal lending and signpost them to WIML support services.
Develop income maximisation and improved money guidance to help people choose and manage credit	MaPS will work with IncomeMax and other stakeholders to create new guidance on income maximisation, and 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. Welsh Government will build income maximisation into the DAF application.
Increase awareness of and access to community finance credit products	Using insight from Financial Wellbeing 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 people with mental health issues	Following the development of creditor standards for consumers with mental health problems (from 2020) improve credit sector engagement and support for vulnerable consumers (2022).	2022 The Money and Mental Health Policy Institute will lead with support from MaPS and the wider credit and monetary and debt advice sectors. MaPS will work with NHS Wales and Welsh Government to raise awareness in Wales.

Credit Counts		
Prioritised recovery activity in Wales	Activity and target date	Leadership and key contributors
Work with essential bill creditors to enable people to avoid using credit	Help financially vulnerable people to manage their commitments through targeted help from essential bill creditors, building on existing work by regulators, trade bodies and suppliers.	2022/23 Citizens Advice will lead with support from MaPS, the FCA, the Information Commissioner's Office, Government Digital Service and essential services regulators. MaPS will share learning and progress with creditors that are Wales specific, such as Welsh Water, local authorities, etc.
Expenditure smoothing to avoid using credit for essential costs	Further research and development of products and services to support people whose income or outgoings fluctuate over the course of a year.	2022/23 The Centre for Responsible Credit (CfRC) is leading a consortium, including the Housing Association Charitable Trust, to develop the rent-flex solution for the social housing sector. The Local Government Association is examining the options for Council Tax smoothing.

Better Debt Advice

The funding of debt advice is a devolved matter and the debt advice funding model, quality assurance and advice policy are specific to Wales. Working collaboratively with other nations and industry is essential to ensure systematic change. The UK and industry-wide Debt Advisory Steering Group (DASG) convened a working group during the activation phase of the strategy to act as the UK-wide Better Debt Advice Challenge Group. 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 Chair of the National Advice Network represented Wales on this group and chaired the round tables that looked at recommendations through a Welsh lens and considered the opportunities, challenges and gaps.

2021 saw the implementation of Breathing Space, which offers people in need legal protections from their creditors, giving them time and space 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. While most customers will access Breathing Space through debt advice providers, people receiving mental health crisis care treatment will enter via the Mental Health Access Mechanism (MHAM).

The delivery activities in this area combine to address the existing challenges of capacity and reach that have been exacerbated by Covid-19. This can only be achieved by adopting a collaborative, cross-industry approach, and if the major contributors can secure funding to be able to invest in the future of the debt advice sector.

Better Debt Advice		
Prioritised recovery activity in Wales	Activity and target date	Leadership and key contributors
Ensure people are confident that they are accessing quality-assured information and advice services	While promoting and embedding quality assurance within the advice sector in Wales, the Welsh Government will maintain the IAQF Wales for social welfare information and advice providers by continuing to develop and administer the IAQF independent assessment service. They will also work with Quality Standard Owners to become an IAQF Wales Accredited Body, and share learning and best practice across Wales, helping more information and advice services to set out on the pathway towards becoming quality assured.	Ongoing The National Advice Network Wales (NAN), Welsh Government Standard Owners, information and advice providers, local authorities and other funders. MaPS will ensure its standards align with the IAQF Wales.
Single Advice Fund (WG)	Welsh Government will continue to fund the Citizens Advice Cymru and their partners to deliver the Single Advice Fund. Single Advice Fund Advice and Access Partners will deliver their services through a range of engagement channels (face-to-face, telephone and web-based). Welsh Government will ensure that the majority of the service delivery in the six regions will include face-to-face, through locations in the heart of local communities, where providers will reach those groups who traditionally face additional barriers in accessing help.	To March 2022 Welsh Government will work with the Single Advice Fund service delivery model that includes Access Partners and Advice Delivery Partners. Access Partners are a wide range of third sector organisations that are reaching out to their service users and community groups to ensure people understand how they can access the advice they need.
Regional Advice Networks (WG)	Regional Advice Networks will support the attainment of commitments within the Information and Advice Action Plan for Wales. To do this they will be mapping advice need and provision and identifying gaps; building referral networks between all advice services; combining their experiences to identify the root causes of common problems; working to embed the role of advice provision within wider public services planning by ensuring that the provision of information and advice is recognised in all relevant strategies and plans; sharing best practice and helping each other to deliver quality-assured advice and encourage and support efficiency, effectiveness and innovation in information and advice service delivery.	Ongoing Each Regional Advice Network will comprise a membership of regional stakeholders, including advice providers, policy makers and funders with links to the National Advice Network. Welsh Government will provide developmental support to the six Regional Advice Networks. The aim is to demonstrate effective networking, ensuring no door is the wrong door.

Better Debt Advice		
Prioritised recovery activity in Wales	Activity and target date	Leadership and key contributors
Support implementation of Breathing Space, including Mental Health Access Mechanism (MHAM)	In May 2021 the new Breathing Space launched. Supported by MaPS and others, HMT 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. Welsh Government, NHS Wales and Citizens Advice Cymru will work together to ensure people are able to access support in Wales.
Broaden debt advice referral partners	Building on the learning from Welsh Government’s Single Advice Fund, MaPS will convene sector-wide conversations to examine how the debt advice industry refers people to other specialist advice sectors to ensure that they get the rounded, holistic support they need (2022). 2022	MaPS will be supported by Welsh Government, the wider debt sector, financial services and UK government.

Fran Targett, Chair of the National Advice Network, said:

“The National Advice Network’s strategy covers both prevention and crisis and recognises the role advice services play in building financial wellbeing in Wales. The sector has had significant input into the development of the delivery plan to ensure people in Wales get the guidance and advice they need, when they need it.”

Future Focus

The delivery activities for the Future Focus agenda for change seek to address key identified barriers by establishing partnerships, supporting the existing work of pension providers, employers, the DWP and others, and encouraging a culture of talking about long-term savings and other financial issues that can affect us in later life. All 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 the over-50s as a result of Covid-19.

Pension Dashboards

MaPS is developing the architecture to enable pension dashboards that will allow people to see all of their pensions in one place. We are also developing our own pension 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 I should take?

There are several existing initiatives to improve support for people as they plan for retirement. For example, Stronger Nudge provisions will be introduced to increase the take-up of Pension wise guidance at a point before people access their defined contribution pensions, and to help more people make informed decisions about accessing their pension savings. The Pension Schemes Act 2021 allowed pension scheme providers to signpost individuals to specific guidance in circumstances where there is a risk of being targeted by scammers.

Retirement decisions are complex and many people find it difficult to make choices that will best meet their needs in later life, and to find the information that will help them make these choices. With the support of others, MaPS will develop a holistic guidance service – the retirement planning hub – that will cover all aspects of financial wellbeing related to later life. This service will include support relating to retirement

decisions, pension scams, long-term care needs, power of attorney, wills and economic abuse, along with signposting to specialist guidance. MaPS will also support the DWP to design and launch a comprehensive mid-life MOT that includes bite-sized guidance

to enable the over-40s to evaluate their financial wellbeing and later life prospects. The aim of the MOT is to give people the knowledge and understanding to make good decisions and help them prepare for the future better.

Future Focus		
Prioritised recovery activity in Wales	Activity and target date	Leadership and key contributors
Develop a retirement planning hub incorporating MaPS pensions dashboard	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 UK government, regulators, financial services companies, trade bodies and employers to increase the reach and impact of the hub. In Wales we will coordinate with Welsh Government, the Older People’s Commissioner for Wales, Local Government Pension Scheme providers, BITC, financial services companies and employers, as well as CBI Wales and FSB Wales.
Implement a mid-life MOT	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. A task and finish working group will also be convened to co-create a simple, accessible and low-cost solution. Awareness will be raised with employer groups and key partners before a nationwide launch (2022).	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. Enabling employers to provide mid-life MOT guidance for their employees. MaPS in Wales will work with employers, SMEs and employer membership bodies.
Produce holistic financial wellbeing guidance for later life including specific information for women and diverse ethnic communities	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 partners including CIPD, financial services, the Older People’s Commissioner for Wales, Age Cymru and the Welsh Government to ensure financial guidance in later life meets the specific circumstances of people in Wales who are most in need.

Cross-Cutting Themes

Workplace

The workplace is a key delivery channel for improving the financial wellbeing of people in the UK. MaPS' focus includes people 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 CIPD⁴⁷ called on all employers to recognise and take responsibility for their employees' financial wellbeing, and is encouraging all employers to create a financial wellbeing policy.

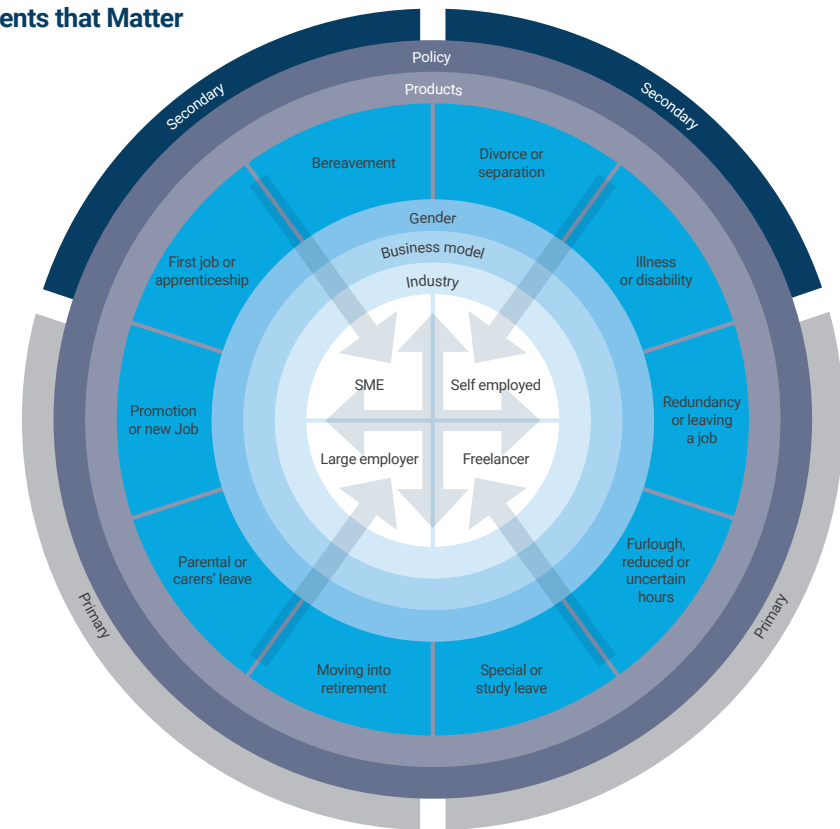
Evidence strongly suggests⁴⁸ that we stand a better chance of helping people manage important financial decisions by focusing on 'moments that matter' in their working lives. Our Moments that Matter diagram illustrates that most of these events are not linear during a person's working life and can strike 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 support their workers' financial wellbeing.

- **Financial education package for employers:** The Building Societies Association (BSA) and The Money Charity have developed a financial education package that includes guidance on borrowing and debt, money safety, planning and budgeting and saving. Starting in 2021, the BSA plans to promote this package to employers 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 know their rights and make the most of benefits⁴⁹.

Moments that Matter



47 [cipd.co.uk/knowledge/culture/well-being/employee-financial-well-being](https://www.cipd.co.uk/knowledge/culture/well-being/employee-financial-well-being)

48 [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)

49 [abi.org.uk/products-and-issues/topics-and-issues/workplace-wellbeing/how-to-use-day-one-statements-to-boost-wellbeing](https://www.abi.org.uk/products-and-issues/topics-and-issues/workplace-wellbeing/how-to-use-day-one-statements-to-boost-wellbeing)

Mental health and financial wellbeing

A series of delivery activities have been identified, either as a standalone cross-cutting theme or within the agendas for change, that aim to improve outcomes for people with mental health problems. These activities are evidence based and person centred. They focus on identifying and understanding the causes of lower levels of financial wellbeing and addressing the interrelationship between money and mental health problems through strategic engagement, enhanced money guidance and partnerships with practitioners.

There is already significant evidence around how money and mental health variables interact to impact on 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 certain primary health care services across all four health systems in the UK.

There are a number of opportunities that could be explored to support patients within the Welsh NHS with their money problems alongside treating their mental health condition. There may be potential to develop signposting and patient referral pathways to money guidance and support (including to debt advice services) where it is identified that money worries are a causal or resultant factor of the mental health condition. There may be opportunities to explore how money support, as a facet of service provision, could be a protective factor against the development or aggravation of mental health conditions related to money problems. This approach could be integrated within the development of social prescribing services in Wales or within other interventions that contribute to person-centred care.

Money Guiders – developing skills, sharing understanding, improving lives

People across Wales and 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 guidance to their customers, increase capacity and help diverse organisations across the UK to deliver money guidance well.

Building on and supporting the existing financial capability forums in north, south and west Wales, the programme includes the Money Guidance competency framework, user guides and self-development tools alongside e-learning training resources, assessment, and an award endorsed by City & Guilds. The development of a supportive learning network will also feature a series of meetings, events, discussions and practice-led communities to share learning, insights and continued development. This programme spans all national goals and highlights how important collaboration across sectors will be in shifting the financial wellbeing dial.

Digital inclusion

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

There is a need for cross-sector commitment to help everyone gain the motivation, confidence and skills necessary to make informed decisions and choose how to participate in and make the most of our increasingly digital world⁵⁰.

Digital skills are essential for all people in Wales, especially if we are to ensure that everyone is able to enjoy a healthy financial future and have the opportunity to make the most of their money and pensions. Digital solutions will have to be accessible to people with disabilities, such as those who use screen readers, and consideration should also be given to people for whom English is a second language, such as members of some migrant communities.

Gender and financial wellbeing

The key drivers of lower levels of financial wellbeing among women are interconnected with external 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 working life and later life must be addressed in a coherent and connected way, with the responsibility for driving change shared across all genders. The Welsh Government commissioned a gender equality review that set out how to achieve the ambition of greater gender equality, and has committed to gender mainstreaming and equality of outcomes.

The Moments that Matter framework (page 46) includes a consideration of gender-specific financial life journeys, and represents a huge opportunity to address some of these inequalities and provide the right support to women. For example, financial education aimed at children and young people requires gendered content and delivery to ensure that girls and young women transition to adulthood with a strong financial foundation to enable them to deal with the unique challenges they will face and address the specific needs they will have throughout their financial lives.

Access to cash

Although digital payments offer benefits for many, the impact of moving too quickly towards a cashless society is likely to be felt most by those living in poverty, older people and rural communities who are digitally excluded and struggling as services move online, along with people who are physically or geographically impacted by the closure of ATMs or banks and those who face barriers when trying to open a bank account. The key message from the financial sector is that the UK will not be ready to go cashless until solutions can be found to make sure no one is left behind. The Welsh Government’s vision is for a Wales where everyone can readily access their own money without charge, whether by automated or over-the-counter means, as well as being able to access a range of affordable financial services and products to suit their individual needs.

Cross-Cutting Themes			
Prioritised recovery activity in Wales	Activity and target date		Leadership and key contributors
Develop and launch a financial wellbeing digital hub for employers and partners	In 2021 MaPS will start the development of a digital employer 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 will lead the development of the hub and work with partners to provide and test best-practice information, support and guidance on financial wellbeing.
As part of the digital hub, include specific customer journeys supporting women in the workplace	Specific guidance and customer journeys will be co-created and implemented on the digital hub to reflect the financial wellbeing challenges and needs of women in the workplace.	2022	MaPS will 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. MaPS will work with Chwarae Teg and the Future Generations Commissioner to link this into Wales policy initiatives.

Cross-Cutting Themes		
Prioritised recovery activity in Wales	Activity and target date	Leadership and key contributors
Develop and implement a Financial Wellbeing and Health Systems Strategy	Starting in 2021, the NHS, in conjunction with local providers and supported by MaPS, will design, pilot and deliver system-wide financial wellbeing support mechanisms.	2021+ MaPS, NHS Wales, Public Health Wales, Welsh Government will work together to identify ways to embed support into community social work services and relevant primary and community-based mental health services.
Everyone needs to be digitally confident	Welsh Government's Digital Communities Wales: Digital Confidence, Health and Well-being programme aims to help organisations embed digital inclusion, develop funding bids to address this area, and provide training to staff and volunteers that improves their digital skills and the skills of the people they support.	Ongoing Welsh Government, Digital Communities Wales.
Access to cash	Welsh Government will engage with credit unions and the Banc Cambria project team to enable the provision of banking services across Wales, raising awareness of the availability of fee-free basic bank accounts and the benefits they can bring, engaging with LINK and local community partners to promote the LINK Suggest a Site web page, engaging with LINK and stakeholders to ensure that additional Welsh sites are considered as part of the national rollout of Community Access to Cash Pilots, and prioritising engagement with the Joint Authorities Cash Strategy (JACS) Group.	Ongoing Welsh Government will lead on increasing access to cash, working in partnership with credit unions and Banc Cambria, community partners, LINK and the Joint Authorities Cash Strategy (JACS) Group.
Strategic partnership activity from MaPS contributing to the overall plan	The MaPS Partnership Manager for Wales will work with private, public and third sector organisations to embed financial wellbeing into employee, client and customer experiences.	Ongoing Working with the private, public and third sectors in Wales, MaPS will provide guidance on financial wellbeing support covering strategic guidance, policy, tools and resources.
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 provide financial support to their customers, to increase capacity, and to help diverse organisations in Wales and across the UK to deliver money guidance well.	2021 MaPS will raise awareness of tools and resources with partners to provide support and guidance on financial wellbeing.



CHAPTER 5

Areas of longer-term focus – 2023 to 2030

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 Wales and the rest of the UK over the next decade. The previous chapter identified tangible activities that can have a material effect on achieving 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. These may not all lead directly 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 Wales. Some key research and development areas include:

- 79% of children and young people⁵¹ look to their parents for advice, but parents are not always confident having discussions with their children 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, focusing 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, resources or tools. There is a huge opportunity to provide better signposting and easy access points, and to connect existing digital services, platforms and hubs in Wales and across the UK, 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 Wales.

- 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 also an 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 along with the establishment of a champions network will demonstrate the value of financial education within 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 4 have clear follow-on activities that will be enhanced and developed over time.

- **Payroll savings schemes:** MaPS will work with partners to research and build the case for an auto-enrolment-style opt-out option for payroll saving. With regard to auto-enrolment, 87% of people in the UK are now in a workplace pension scheme⁵².
- **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 saving 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.

51 moneyandpensions.service.gov.uk/wp-content/uploads/2020/01/Money-and-Pensions-Service-Children-and-Young-People-Financial-Capability-Wellbeing-Financial-Foundations-Wales-summary.pdf

52 thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/automatic-enrolment-commentary-analysis-2019.ashx

Sustaining savers

When an individual'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 generate new regular savers, it will stop the number of regular savers from falling, and it is 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 digitalisation 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 could use the charter to drive a cultural 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.

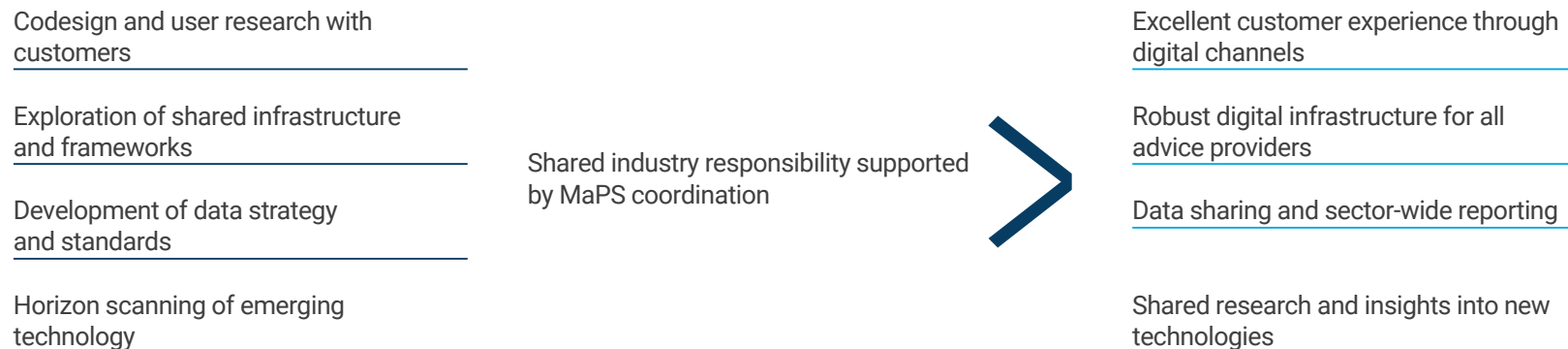
- **Development of improved market practices:** The Woolard Review, commissioned by but independent of the FCA, provided the market with a series of recommendations to improve regulation and practice in the unsecured credit market. Alongside the FCA's planned review of persistent debt remedies, and implementation 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 improve access to affordable and appropriate credit products. The insurance market has a significant role to play in protecting consumers from 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 digitalisation 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 sector knowledge on the potential of new technology to improve systems and process 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 have the greatest 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 their needs.

Our collaborative methodology for improving technology



- **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 (as outlined in Chapter 4).

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 a similar theme 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 affects people’s capacity to plan for 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 the over-50s
- **Pension dashboards:** Pension dashboards enable people to access their pension information online, securely and all in one place, thereby supporting better planning for retirement. Pension 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 (22 million) of all working-age people do not 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, more research and insight into the specific financial needs of different groups is required. 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, seeing it as an important step in plugging this evidence gap.
- **Money and Pensions Service standards:** While the standards apply to MaPS services and the partners it funds, it is important that they align with the Welsh Government's Information and Advice Quality Framework for Wales. MaPS will be working closely with its stakeholders in Wales and across the UK, including the Welsh Government, to use the standards as a platform for innovation, collaboration and greater integration.

New ideas and initiatives

In addition to collaborating on existing ideas and initiatives, 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.

Throughout the process of developing this delivery plan through the UK Challenge Groups and the Wales round tables, we have heard that, going forward, in order to help people in Wales and across the UK to attain and sustain the best financial wellbeing their means allow, new ideas and initiatives have to:

- **Drive change** in leadership and culture, insight and innovation, policy and regulation, and capacity and capability
- **Transform services** in education, information, guidance and advice, and transform the customer journey and financial products and services
- **Reach people** through consumer engagement and partnership outreach

The evolution of the delivery plans should not be bound by the national goals and should address lifelong and systemic issues affecting the financial wellbeing of people most in need. Organisations and stakeholders are therefore encouraged to develop and implement new ideas and initiatives that cut across people's financial lives.

It is hoped that by 2030 many thousands of committed organisations and individuals will be engaged in financial wellbeing, collectively delivering self-sustaining and incremental change across Wales and the UK.



Gwasanaeth
Arian a
Phensiynau



Money &
Pensions
Service

Appendices

APPENDIX A: A framework for reporting and tracking progress.

MaPS measures financial wellbeing through our major surveys; the annual debt needs survey and, every 3 years via the Adult Financial Wellbeing and Children and Young People Financial Wellbeing surveys. The results of these surveys will give a point-in-time view of the status of financial wellbeing in the UK through a consumer lens. However, MaPS and other stakeholders wanted a more dynamic and iterative method of tracking progress against the goals and have therefore developed a basket of indicators that partners should use to measure the success of individual initiatives, which will help MaPS collate information on a national level

This delivery plan for Wales forms part of a new financial wellbeing framework that aims to provide all stakeholders with a common definition of financial wellbeing and the problems and barriers we are looking to address.

The basket of indicators is another key element of the framework and includes a standard set of measures that all partners should use to evidence progress towards the goals. Unlike the surveys, which focus on consumer activity and behaviour, the basket of indicators will also measure progress on the supply side (for example, the number of teachers trained). Therefore, when taken together, the surveys and the basket of indicators will allow MaPS to illustrate the progress being made towards the national goals.

Even if it is implemented consistently across all partners and initiatives, the basket of indicators will not pick up all impacts accurately and may also duplicate some of the effects. The aim is to give everyone involved in financial wellbeing a framework to work to, and a dynamic indication of the progress being made, which will inspire more action, involvement and ideas.

Basket of Indicators

Financial Foundations

90,000 more children and young people are receiving a meaningful financial education (2 million in the UK)

- 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

86,000 more people who are struggling and squeezed are saving regularly (2 million in the UK)

- Number of employees enrolled in payroll savings schemes
- 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

Credit Counts

78,000 fewer people are often using credit to pay for food and bills (2 million in the UK)

- 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

60,000 more people are accessing the right debt advice (2 million in the UK)

- 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

223,000 more people understand enough to plan for later life (5 million in the UK)

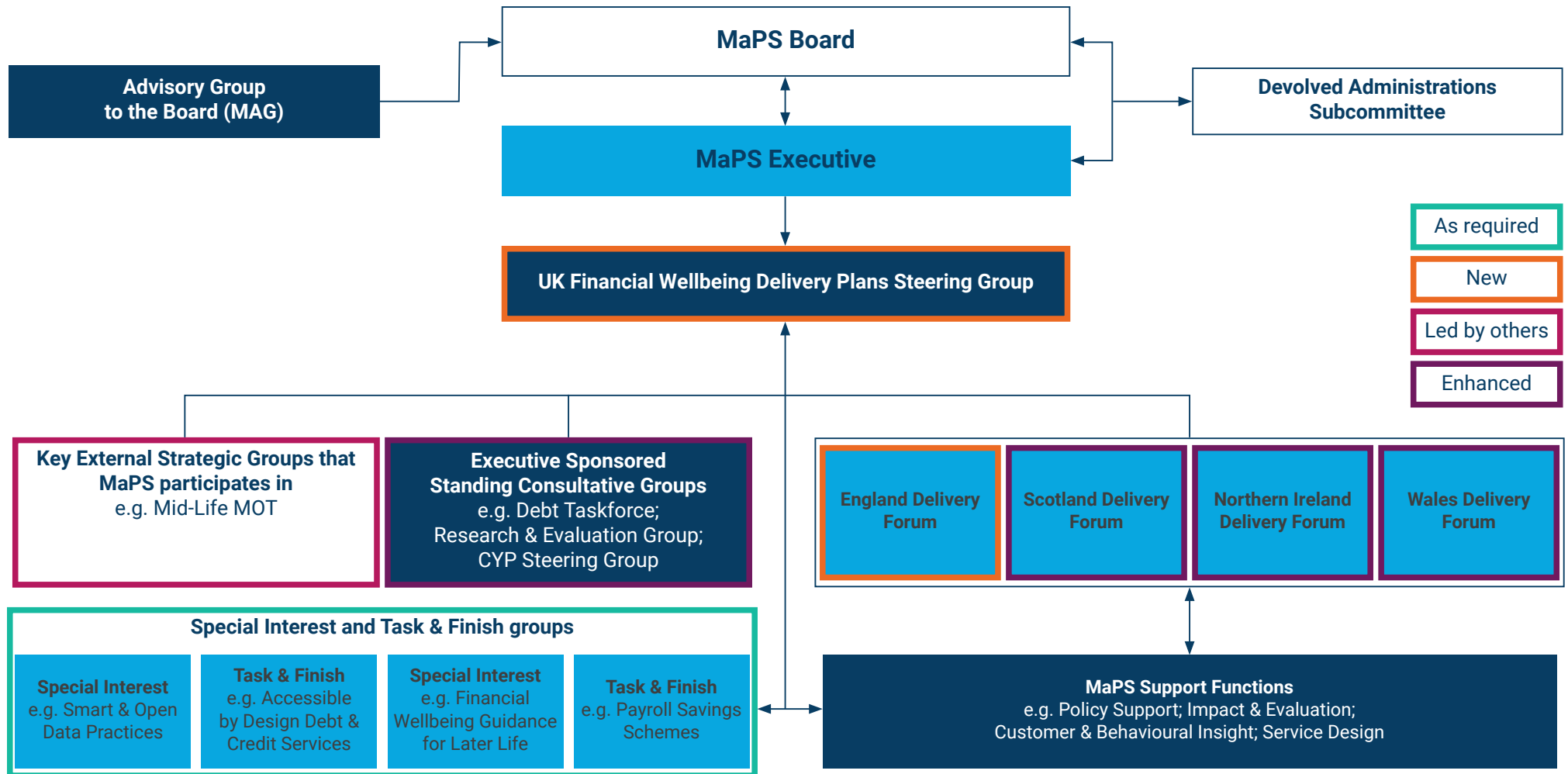
- Number of people accepting the need to take responsibility for their own retirement
- Number of people using a tool such as the PLSA's Retirement Living Standards or EV
- Number of people accessing information about their existing pension pot (for example from a pensions dashboard)
- Number of people using pension or later life advice or guidance
- Number of retirement age people with positive attitudes and/or 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 for each nation and will work with partners to reflect emerging strategic and operational thinking, new priorities and changes to the regulatory or policy landscape.

APPENDIX B: The UK stakeholder coordination model

MaPS has a statutory responsibility under the Financial Guidance and Claims Act 2018 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' role as coordinator of the UK Strategy for Financial Wellbeing can be broken down into three key areas, which will form the basis for how the ongoing programme is governed.

1. **MaPS Board:** The Board are accountable for the coordination of 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 to improve financial wellbeing through new and established forums and stakeholder groupings.

- In Wales, MaPS works closely with the Welsh Government on financial wellbeing initiatives. During the activation phase, MaPS chaired a strategic forum and held numerous round tables to support a 4-nation focus from the Challenge Groups, helping to ensure that the specific policy priorities and different delivery mechanisms across the UK were accounted for in emerging thinking and delivery plans. These strategic forums will now be re-orientated to focus on the delivery of the key initiatives in national delivery plans. MaPS will continue to co-chair and the groups will be made up of key stakeholders in each nation who will help drive the delivery and achievement of the goals.
- The Wales forum will feed into both the devolved government subcommittee and a new UK Financial Wellbeing Delivery Plans Steering Group, which is tasked with tracking progress against the UK goals, managing risks and issues, and identifying opportunities to collaborate on new ideas and initiatives.

Additionally, time bound task-specific delivery groups may 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 UK Financial Wellbeing Delivery Plans Steering Group.

Over time, MaPS and the devolved administrations may consider establishing further collaboration and delivery groups where there is a gap – for example, to bring together cross-sector groups of senior leaders and experts in innovation, engagement and behaviour change.

3. **Digital financial wellbeing 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 financial wellbeing.

To help achieve this level of engagement, MaPS will build a new digital financial wellbeing 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 C: Emerging evidence of the impact of Covid-19 on financial wellbeing

Summary of findings from MaPS' five rapid literature reviews covering the impact of Covid-19 on financial wellbeing.⁵³

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. Since then, there have been many changes, not least in support available to employers and employees as we move out of the pandemic. However, we feel that the work below is still relevant in this context, and that the general trends identified by the reviews are still valid.

- GDP and employment rates have fallen and Universal Credit claimants have risen⁵⁴, while aggregate savings have increased⁵⁵. Between March and October 2020 households repaid £15.6 billion of consumer credit⁵⁶.
- The FCA estimates 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 adults⁵⁷.
- 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 2020⁵⁸.
- Our reviews found that people working in retail or hospitality, those on variable income or in insecure employment, or those 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 parents⁵⁹.

- 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, and this figure increased to one in seven during the crisis⁶⁰.
- StepChange noted that a personal debt crisis is emerging. By September 2020, 1.2 million people were experiencing severe problem debt⁶¹. 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 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 one in three in this age group are worried about finances (18–29 years: 32.7% and 30–59 years: 34.7%). Levels of unemployment and financial stress are higher in those living with children compared with those who do not live with children⁶².

The financial wellbeing initiatives included in this plan are aligned with the UK 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"⁶³.

53 moneyandpensionsservice.org.uk/2021/05/27/impact-of-covid-19-on-financial-wellbeing

54 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-onuc-he

55 bankofengland.co.uk/statistics/money-and-credit/2020/october-2020

56 bankofengland.co.uk/statistics/money-and-credit/2020/october-2020

57 fca.org.uk/publication/research/financial-lives-survey-2020.pdf

58 ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/previousReleases

59 moneyandpensionsservice.org.uk/2021/05/27/impact-of-covid-19-on-financial-wellbeing

60 ippr.org/news-and-media/press-releases/winter-covid-debt-warning-young-people-ethnic-minorities-and-renters-at-most-financial-risk

61 stepchange.org/Portals/0/assets/pdf/tackling-the-coronavirus-personal-debt-crisis.pdf

62 covidsocialstudy.org/results

63 instituteofhealthequity.org/resources-reports/build-back-fairer-the-covid-19-marmot-review

APPENDIX D: Impact of Covid-19 on diverse ethnic communities

In late 2020 and early 2021, MaPS also undertook a rapid literature review for internal use with a focus on the impact of Covid-19 on diverse ethnic communities. As mentioned on page 62, the situation regarding support has changed, particularly around employment, but the information available at the time was used to prioritise the delivery activities and create this plan. There will, of course, be new evidence published as we emerge from the pandemic, and MaPS will include this in any further work we do in this area. The key findings and reference material at the time were 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”⁶⁴**

- 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 positions⁶⁵.
 - 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)⁶⁶
 - 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 analysed⁶⁷.

- 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 generations⁶⁸.

■ **Covid impact**

- Ethnic minorities were 2.2 times more likely to report being behind with their bills than their white counterparts during the Covid-19 lockdown⁶⁹.
- 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 income⁷⁰.
- 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”⁷¹.
- 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”.

64 runnymedetrust.org/uploads/publications/pdfs/2020%20reports/The%20Colour%20of%20Money%20Report.pdf

65 equalityhumanrights.com/sites/default/files/strategic_plan_-_web_accessible.pdf

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67 centreforsocialjustice.org.uk/wp-content/uploads/2020/11/CSJJ8513-Ethnicity-Poverty-Report-FINAL.pdf

68 equalityhumanrights.com/sites/default/files/is-britain-fairer-accessible.pdf

69 ncbi.nlm.nih.gov/pmc/articles/PMC7351056/

70 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

71 mind.org.uk/news-campaigns/news/existing-inequalities-have-made-mental-health-of-bame-groups-worse-during-pandemic-says-mind



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Phensiynau



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