

Where would you go for advice?

Topline report, prepared for:

The Money Advice Service



Prepared by:

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Date: January 2015



Background

MAS are currently building their strategy for the next year and as a result wanted to gather insight from Tell MA members with regards to where they go for advice on specific financial areas:

- Borrowing money or help managing debts
- How to budget better or plan your finances
- Shopping around for financial products
- Savings, investments or retirement planning

A screen grab of the discussion is below:

Members were asked to state where they had looked for advice in the specific areas over the past two years

Members who had sought advice gave very specific responses on where they would look as a first port of call, whereas other responders tended to provide feedback on where they went for financial advice 'generally'

We had circa 85 responses in a week period (shorter than a typical two week community discussion)

Thinking specifically about looking for advice in any of the following areas in the last 2 years:

- o *Borrowing money or help managing debts*
- o *How to budget better or plan your finances*
- o *Shopping around for financial products (i.e. insurance, credit cards, loans etc.)*
- o *Savings, investments or retirement planning*

Please answer the following questions to each of the areas of advice you have looked for:

- *Where did you look for advice?*
- *Did you get everything that you needed to from looking there? Why / why not?*
- *Why did you choose to look there rather than other sources?*

Finally, please answer the following questions:

- *Do you have a trusted adviser for different money issues? If so, is that someone you know personally or a financial professional?*
- *Are there any money topics or issues where you like to see better advice and information provided, either from MAS or its partners? Which areas?*

Snapshot of all sources of advice mentioned



Overall, Martin Lewis was mentioned the most



- A 'go to' source of information and advice for financial matters overall
- Trusted to have the peoples 'best interests at heart'
- Awareness may be heightened via his recent (daily) appearances on Good Morning Britain / The Martin Lewis Money Show / other PA's throughout January

*Martin Lewis is also a source of information on financial matters. I watch everything he's in on TV and **take heed of what he has to say.***

(Female, 25-34)

*For money advice I **subscribe to Martin Lewis' weekly email from Money Saving Expert.** He is usually on breakfast television once per week so I try and watch that.*

(Female, 35-44)

*I use the online website Money Saving Expert run by Martin Lewis, **it covers most areas related to finance** and gives lots of common sense and impartial (i.e. trustworthy) advice on everything; which makes it well worth perusing. **Thanks to the all-encompassing nature of this website and the expert economic related knowledge of its founder, I have not for some time felt the need to look elsewhere.***

(Female, 55-64)

*I always keep an eye on 0% finance [usually via **moneysavingexpert.com / Martin Lewis**] who I **have grown to trust.***

(Male, 55-64)

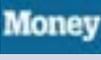
Where they looked: borrowing money or help with managing debts



First port of call	Other sources mentioned
 <p>(n=9)</p>	 <p>(n=3)</p>
 <p>(n=6)</p>	 <p>(n=1)</p>
 <p>(n=3)</p>	 <p>(n=1)</p>
 <p>(n=2)</p>	 <p>(n=1)</p>
 <p>(n=1)</p>	 <p>(n=1)</p>
 <p>(n=1)</p>	

Where they looked: budgeting better or planning finances



First port of call		Other sources mentioned	
 (n=7)		 (n=3)	
 (n=4)		 (n=3)	
 (n=2)		 (n=2)	
 (n=1)		 (n=2)	
 (n=1)		 (n=2)	
		 (n=2)	
		 (n=1)	
		 (n=1)	
		 (n=1)	
		 (n=1)	
		 (n=1)	
		 (n=1)	
		 (n=1)	

Where they looked: shopping around for financial products



First port of call	Other sources mentioned
 (n=6)	 (n=4)
 (n=4)	 (n=3)
 (n=3)	 (n=3)
 (n=1)	 (n=3)
 (n=1)	 (n=3)
 (n=1)	 (n=2)
	 (n=2)
	 (n=2)
	 (n=1)
	 (n=1)
	 (n=1)

Where they looked: savings, investments or retirement planning



First port of call	Other sources mentioned
 (n=3)	 (n=3)
 (n=3)	 (n=1)
 (n=2)	 (n=1)
 (n=1)	 (n=1)
 (n=1)	
 (n=1)	
 (n=1)	

Use of 'official' Financial Advisors very low



- There was a general sense of 'mistrust' towards them
- The only areas where FA's were used at all was in 'Savings, investments or retirement planning' - seen as more 'significant' financial decisions and areas where their own knowledge may be lacking

*Savings; investments or retirement planning: I would probably go to an independent financial advisor; as **these are important decisions; usually involving big sums of money** and are a long term thing; so it is important I know what I am doing and that I get the best advice; even if it costs me money.*

(Female, 35-44)

*I do not trust financial advisors as **they are just out to get commission** for themselves.*

(Female, 35-44)

*I took advice from an Independent Financial Advisor; who arranged the mortgage for me. He gave me lots of advice; but **seemed mostly interested in selling me products** which would earn him a commission.*

(Male, 35-44)



With the very recent changes, pensions was an area where many wanted better advice



Warning is issued over pensions crisis lurking within new rule changes

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New research published by the International Longevity Centre-UK shows that the majority of people approaching retirement aren't ready for the new pension freedoms which, from April, allow you to take the cash from your retirement pot and do whatever you like with it

<http://www.belfasttelegraph.co.uk/business/news/warning-is-issued-over-pensions-crisis-lurking-within-new-rule-changes-30916865.html>

Pensioner bond chaos continues as savers report money missing from accounts, deposits taken that exceed maximum allowed

- Launch of 65+ Guaranteed Growth Bonds disrupted by website failure
- NS&I vows to resolve issues 'as quickly as possible'

By LEE BOYCE FOR THISISMONEY.CO.UK

PUBLISHED: 07:04, 22 January 2015 | UPDATED: 09:05, 22 January 2015



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View comments

National Savings & Investments faces a clean-up operation after savers attempting to take out in-demand pensioner bonds reported money missing from their accounts and multiple debits for the same application.

Worried savers contacted This is Money to say they fear their money has disappeared into a 'black hole' after the chaotic launch of pensioner bonds - officially known as the 65+ Guaranteed Growth Bonds - last Thursday.

Pam Newman from Chichester was told her repeated attempts to open one bond with the maximum £10,000 deposit had been unsuccessful. Yet when she checked her bank account, £20,000 had been taken.

<http://www.dailymail.co.uk/money/saving/article-2919815/Pensioner-bond-chaos-continues-savers-report-money-missing-accounts-deposits-taken-exceed-maximum-allowed.html>

Pension information was found to be confusing



- A desire to be more 'clued up' and prepared for the future
- Relevant and up-to-date information wanted, encompassing any 'new rules changes'
- 'Scare stories' in the media alert people to the topic

*I would like to see MAS look into the **topic of pensions and the new rules about personal pensions**. **The topic is pretty confusing**; and it seems that the pension providers are not making it easy for customers to get access to their pension pots.
(Female, 54-64)*

*I'd like to see **more and better information available in respect of all things pension related**; as I'm still not very clued up about anything to do with the subject.
(Female, 35-44)*

*I think **scare stories in the news** about people getting ripped off by pension companies; concerns me; so this is area that needs more information to allow people to make the right decisions.
(Female, 25-34)*



*I would like to see **better advice and information provided on pensions**; especially how to work out the probable final pension figure and what information I should expect a pension provider to give me. Also when it is best to consult a pensions advisor and how to find a trustworthy advisor.
(Female, 45-54)*

*I think new pension changes and **guidelines / advice would be useful**.
(Male, 35-+44)*

The Green Deal was also an area members wanted more advice on



- A complex topic - clear and concise information needed
- A desire to understand the Green Deal and how it can benefit



*I would like more well-researched information about the **Green Deal** and the Energy Company Obligation (ECO) written by professionals. I think this will become increasingly important once the **smart meters UK roll out starts in autumn this year**; as energy suppliers or their trained installers will be responsible for offering Energy Efficiency Guidance to domestic customers at the installation visit and to micro-business customers at a time appropriate to their needs; whether before; during or after the installation visit. The people providing this advice could be very inexperienced; not as impartial as they should be; and perhaps even be doubling up as salespeople!*
(Male, 45-54)

*Some guidance could be included on how to spot whether a **Green Deal assessment looks dodgy** (i.e. not giving a copy of the report to the customer; fiddling figures such as the total floor area) If you are on benefits or a low income you could qualify for the Energy Companies Obligation. You could mention that explicitly; together with some information on how to claim.*
(Female, 35-44)

*I would like to see more helpful, **relevant and available information** when money saving initiatives are happening , like **The Green Deal**.*
(Female, 55-64)

Ways members thought information / advice could be improved included (1)



Budgeting tips

*I firmly believe [as someone who has come relatively late in life to budgeting] that it **is budgeting which underpins everything concerning money management**. All the expert money advice in the world; all the swapping of service providers; transferring debts onto 0% credit cards; looking for ultra cheap loans and bargain products; etc; cannot provide a solution to debt **if the crucial underpinning of an effective budget is not in place**. I know I speak with the zeal of the converted; but living within our means has so changed our lives for the better.*

(Female, 45-54)

*I can't find any budgeting advice - **it would be great to have alerts that showed you if you are over spending** for your income and how the bank could help. Budget alerts could come from the bank, or if it was via an advice service it may be a more **generic text that gives you tips through the month on budgeting**.*

(Male, 35-44)

*On the MSE website there is a good section on budgeting complete with **templates which you can print out and keep** or download to your computer*

(Female, 55-64)



Ways members thought information / advice could be improved included (2)



Detailing most important T&Cs

*There are still a number of companies who are prepared to rip people off with extortionate interest rates etc. **I think an online crib sheet would be useful to give people a brief summary of what some terms mean and what is a market average rate for the product concerned is.***

(Female, 35-44)

*I think it would be great if an organisation such as MA or Moneysavingexpert would pick out the **10 most important factors of the terms and conditions**; the fact is the majority of people don't read them or understand them as a matter of fact so they just accept what ever the t's and c's are; but when the consumers want to cancel early; have a pay freeze; or anything else that would lead them to breaching the contract, **I personally will find the information very handy.***

(Male, 25-34)

Having a more interactive interface. Allowing peer-to-peer communication

*I like the MSE forums for advice on budgeting because there are lots of different people trying different approaches. **It is helpful to share ideas.***

(Female, 35-44)

*I think anywhere there's a **pool of people willing to share their experiences and knowledge is a great place.***

(Female, 35-44)

Ways members thought information / advice could be improved included (3)



Having more tailored information relating to benefits

BENEFITS



By providing the most up-to-date information

*More specific and **up-to-date** advice on earning cashback or rewards from credit cards would be good.*
(Male, 35-44)

*I have also been told that I would have to complete a medical questionnaire every 2 years in case **my condition [which is cerebral palsy and permanent]** and my claim for ESA changes! **Perhaps the MAS could offer benefit advice similar to CAB which can be trusted as reliable?***

(Female, 25-34)

Providing the best; most up-to-date advice** and a systematic way to work through problems; accessing the advice required for ourselves at any time is by far the best thing you can do, as our financial situations and needs; just like life itself are on going and ever changing it is up to us to manage and **up to Mas and Partners to help us equip ourselves with the tools to do it!

(Female, 35-44)

In Summary



- In terms of the specific areas, majority of those responding would look for advice first:
 - Borrowing money or help managing debts (**BANK**)
 - How to budget better or plan your finances (**MONEY SAVING EXPERT**)
 - Shopping around for financial products (**MONEY SAVING EXPERT**)
 - Savings, investments or retirement planning (**MONEY SAVING EXPERT / BANK**)
- Awareness and trust in Martin Lewis was evident
- Most want more information and advice on pensions – we have just started a new topic on the community around understanding and concerns about pensions. This should add further context

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