



13<sup>th</sup> February 2014

**Money Advice Service Business Plan 2014/15 Consultation – The Money Charity’s response**

1. The Money Charity is the UK’s financial capability charity, dedicated to providing financial capability products and services to all age groups. Our vision is that everyone has the capability to be on top of their money as a part of everyday life.
2. So, we empower people across the UK to build the skills, knowledge, attitudes and behaviours, to make the most of their money throughout their lives. We believe that being on top of your money means you are more in control of your life, your finances and your debts, reducing stress and hardship. And that being on top of your money increases your psychological and emotional wellbeing, helps you achieve your goals and live a happier more positive life as a result.
3. We do this by:
  - Developing and delivering products and services which provide education, information and advice on money matters, in an appropriate way for young people and adults;
  - Working with all parts of the financial services industry to improve practice and outcomes for their consumers; and
  - Influencing and informing policymakers, the media, the industry and public attitudes to support our vision, purpose and delivery.
4. We welcome the opportunity to comment on the Money Advice Service (MAS)’s business plan. As the leading player in the financial capability sector and with the level of resources at its disposal, MAS’s focus and strategy has a significant impact on the wider sector as well as on millions of people in the UK who could benefit from its services. MAS’s Business Plan is therefore a highly significant

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document for us and all other organisations involved in the delivery of financial capability programmes, and we welcome this consultation exercise.

## General Questions

- **Do you think the business plan sets the right direction for the Service?**

We think that the direction of this year's business plan is a significant step forward to those of previous years. There are some clear examples of where the Service has listened to feedback and acted accordingly, and we welcome these.

There are however some examples, such as the emphasis on money advice and on a digital offering driving people to act, where we still hold some concerns. We outline these in more detail below.

Overall we also think the plan could benefit from more detail and from a more honest and transparent appraisal of its current situation and history, so that the reader is left with a clearer view of the current direction of travel.

- **Does the plan present our priorities, initiatives and budget in a clear way and is it easy to understand (written in plain English)?**

We believe that this year's business plan is significantly clearer and easier to understand than previous years'. The strategy itself feels more coherent and thought through and the language used is also more straight forward. There are however a number of high level issues with the plan, that undermine the significant steps forward in this space.

Firstly, whilst the document is a significant improvement on last year's, it still feels unnecessarily complex in places. In particular, in trying to segment the work of the Service, the plan seems to overcomplicate things, both in terms of language used, and in the number of ways, in which it does so. For example MAS sets out eight deliverables (p3), three key roles (p5), four ambitions (p6), statutory objectives (p7), seven priorities (p12), three strategic themes (p13) further detail on the three strategic themes (p13-14), objectives under each theme(e.g p16), further detail under each of these objectives (e.g p17-18), how and what under each objective (p19-20) and then various levels of detail on evaluation - Key Performance Indicators (KPI) framework, six outcomes, 8 KPIs and 24 actions.

Secondly, it is however the case, that despite these various ways of segmenting the service, there is often not much detail as to what MAS will actually deliver in 2014/15, except for a short list of KPIs. The language used to describe deliverables is often subjective and not very specific. We return to this point in more detail below.

Thirdly, there are a number of occasions where the plan seems to contradict itself, and the reader is left confused as to which of the two outcomes will prevail. This seems to happen in most cases, where the plan mentions work that had been

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started in previous years. It goes on to explain that things will be different moving forward, but that MAS will still build on what went before. A good example of this is the target audience (p18). The reader is left unclear whether the 10.2 million people who were, last year, identified as 'people who would benefit from advice' are still the target audience or not. The overall approach now seems to be about targeting 'all', through targeting those going through 'big financial events'. Another example would be the five (now six) high level outcomes (p33) which were the main measure of 'action' in 2013/14. The plan says that it is not now using these to set targets, but it will still be tracking them. The list of actions (p36) will be used instead. It's not clear how the six outcomes interact with the actions, and whether actually the latter replaces the former.

We recognise and welcome the significant changes that have taken place over the last year at MAS. We think however that the plan might benefit from a more honest appraisal of MAS's current situation and a clearer analysis of what is genuinely being built on from before, and what is not.

- **Overall, is there anything missing from the business plan that you would expect to see?**

Whilst we agree with the strategic decision to drop the 4<sup>th</sup> theme on young people, we feel that as a consequence there is very little detail regarding young people, the sector, the educational situation etc now in the plan. We feel that this is missing and should be rectified.

Equally we feel that there is still too great an emphasis on money advice, and very little on education, understanding and informed choices.

Finally we think that across the whole plan, there could be a lot more detail as to what has been and what will be achieved. There are some very clear number outputs, but over and above these, much of the language is quite subjective – 'enhance', 'improve' with little detail as to how.

We reference these in more detail below.

#### **Specific questions:**

- **Chapter 2:  
Is there anything you would add to our reflections on these achievements based on your experience of the Service during 2013/14?**

We appreciate that this is a forward looking Business Plan, rather than a backward looking Annual Report, and it may be that therefore much of the following will be addressed in the Annual Report. However, it does feel as though Chapter 2 is rather light on content. This manifests itself in a number of ways:

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- Over and above the bare numbers reached, there is little detail about what has been achieved by the service during the year, in particular, as a big part of this year has been about improving the digital offering, exactly what has been delivered in this space seems to be missing. It seems to us, that there are things that MAS has achieved that are not done justice by this summary.
- However, there are a significant number of commitments set out in the Business Plan 2013/14 which we believe have not been met. Whilst it is obviously in MAS's best interests to set out what it has achieved, it also has a responsibility to set out what it has not achieved.
- Under Strategic theme 1, the conversion rate, from contacts to action seems very low indeed. If we assume MAS meets its target of 480,000 actions, against an expected 12 million contacts, this represents a conversion rate of 4%, which seems rather low.
- Finally the chapter references the NAO and TSC reports, but again gives little detail as to how MAS intends to reflect the views expressed in these reports.

- **Chapter 3:**

- **Have we identified the right strategic priorities and themes for the Service in 2014/15? Is anything missing from these priorities for 2014/15?**

As mentioned above, there seem to be a number of rather confusing ways in which MAS has segmented its work. However, if we concentrate on the strategic priorities (p12) and themes (P13) we agree that these set out a reasonable framework for MAS's work. We also agree that it makes sense not to have young people identified as a separate theme, from a strategic perspective. As set out elsewhere, we are however concerned that in doing so, focus on young people seems to have disappeared entirely. So, whilst we support the idea in theory, MAS needs to ensure that its young people work is embedded appropriately across all three of its themes.

We are not convinced that the wording of Theme 1 and the content outlined on pages 16-20 actually align. The detail in the following pages, seem to suggest that this theme encapsulates all of the work MAS will be doing directly in the financial capability/money advice space. The theme itself 'Deliver a highly effective service, making a real impact on people's lives' – does not make this clear. It could be relating to any subject matter, and/or to the whole of the work of the Service, when in fact the detail in the following pages suggests otherwise. We believe that the wording of the theme itself could therefore be clearer.

We also have concerns, as expressed last year, that MAS continues to focus exclusively on 'money advice' rather than any of the other elements of being financial capable. More broadly, the Business Plan this year does express more clearly that MAS is part of the financial capability sector, and that it has a role to play in driving the wider agenda. This is good news. However when it comes to its own work, it continues to focus exclusively on money advice. The best example of this is that the first objective under theme 1 is 'Make money advice a normal part of everyday life'.

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The next page continues 'Money advice should be easy to find, something that friends and family talk about, and an accepted part of everyday life'. We believe this emphasis is wrong. We believe the main objective should be to make staying on top of, and making the most of, your money a normal part of everyday life. But in an ideal world, individuals wouldn't need to seek money advice to do this. People should be able to understand, talk about and engage with their money without having to seek out advice at every turn. The ideal is for individuals who make informed choices that are right for them and their family, without needing to look for advice.

The second and third objectives under Theme 1 seem to much better reflect our position. We are particularly encouraged by Theme 2 and think that MAS have a really important role to play here, but we would urge MAS to consider both the wording and the emphasise of its work as it relates to money advice.

We also believe that this emphasis has a knock on effect for MAS's young people work. Whilst we agree that the young people work should not need its own separate theme, it is concerning that it is not referenced at all in this theme. In addition, there is little mention of educating individuals (of any age) or of enabling them to make their own choices, all of which we believe are essential parts of MAS's role.

More broadly, we believe it is also the case, that there is very little detail of what will actually be achieved under each theme. The language used is often very subjective, so 'enhance', 'improve' without any real detail as to how. The significant amounts of money still being spent on enhancing the offering - £3.496 million on proposition development, £6.069 million on digital development & maintenance and £13.455 on marketing and communications suggest that more detail is needed here before any judgement can be made as to whether that is a worthwhile focus for MAS.

- **Theme 1:**  
**In addition to example initiatives we have described in Theme 1, how else could we make the Service more engaging for customers so that we help them manage their money effectively?**

We have always believed that targeting people at particular moments in their lives, when they are most receptive to financial capability messaging is the most effective way of reaching people. We welcome MAS's focus on this. We believe that to drive real engagement the service needs to be much more tailored to the needs of the individual, so the look, feel, language and delivery method needs to be much more moderated to the particular segment that MAS are targeting than it is now.

- **Theme 2:**  
**How best can we work with other funders of advice to enhance the experience for over-indebted people?**

**What would you suggest that we and the sector should focus on, using the insight from our recent customer segmentation research, to put in place the best possible services for over-indebted people?**

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- **Theme 3:**  
**In addition to leading and coordinating the UK strategy, conducting research, and supporting other organisations, what other activity should the Service undertake with others to improve the financial capability of the UK?**

There are some initiatives we wholeheartedly support outlined in this theme. We particularly welcome the commitment to share research and insight, to identify gaps in the sector, to set up an Evaluation and Research Group and to lead a national strategy. However we do feel that very slow progress indeed has been made of this so far. Last year's Business Plan committed to doing similar and so far, little has been achieved. So the most important thing that MAS can do in this space is to simply deliver on these commitments.

We also believe that there is much more that MAS should be doing to safeguard the effective implementation of financial education on the Curriculum in England from September 2014. We are concerned, that one year on from the announcement, there is a perception that this is 'job done', whilst in reality this is very far from the case. There is no funding available from MAS or the DoE for direct delivery in schools or to train teachers, and a huge task ahead to ensure that schools can actually deliver the new curriculum from September 2014. Over and above funding, there is a desperate need for greater collaboration in the sector and for progress to be made on evaluation and quality assurance in particular. As you know, a number of the leading charities in the sector have approached MAS collectively on these issues and we are looking forward to discussing with you in a few weeks. We believe strongly that MAS has an important role to play here.

Finally, while MAS has made strides this year to involve the sector in its plans, it is still the case that much of the work being done in this area is not being done publically. If MAS is to gain the trust of the sector it needs to commit to being much more transparent for example setting out clearly who sits on its Steering Group and Working Groups and what organisation or sector they represent, publishing dates and minutes of meetings, publishing the issues that they are consulting on etc.

- **Chapter 7:**  
**Our revised KPI framework is intended to capture the impact of the Service on individuals and also across the advice landscape. Do you think it does this?**
- **How else can we measure the effectiveness of the Service? In particular we would welcome the views of other advice organisations on how they measure 'engagement' and the actions taken by their customers.**

The revised framework increases significantly the numbers of individuals expected to act as a result of the service from 4% to 30%. We have commented above on the focus of the service being so completely on money advice, and driving people to act. Whilst we have concerns as to whether this properly reflects all aspects of a financial capable person, we understand the inherent difficulty of tracking the other aspects. Indeed, if this is to be the focus of the Service, then it is right that the conversion rate needs to be significantly higher than 4%. We therefore welcome this change.

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