Response to the draft Financial Capability Strategy for the UK

1. As the UK's financial capability charity, we welcome the publication of the draft Financial Capability Strategy for the UK.

2. 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 wellbeing, helps you achieve your goals and live a happier more positive life as a result.

3. Our vision is for everyone to be on top of their money as a part of everyday life. 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.

4. We believe that financially capable people are on top of and make the most of their money in five key areas:
    - Planning (including budgeting)
    - Saving
    - Debt
    - Financial services products
    - Everyday money (including wages, cash, bank accounts)

5. The publication of the draft Strategy represents an important step in the thought leadership and co-ordination of the sector from MAS, and we welcome the opportunity to comment on the draft and inform the final Strategy.

Two dominant themes – financial difficulty and old age

6. We have a number of overarching points that we wish to highlight before responding to the consultation questions. Firstly the Strategy appears currently to be focused heavily on financial difficulty and old age, but there is a lack of accompanying

analysis and explanation as to how the decision to focus on these areas has been reached. While these are important areas, there is a consequential lack of attention on the millions of working-age people who are not in or at immediate risk of financial difficulty; at best the Strategy will encourage them to achieve one particular goal (saving for retirement). This focus limits the scope and ambition of the Strategy.

7. Without efforts to improve the financial capability of the UK as a whole, the foundation that is necessary to achieve the specific goals (such as preventing problem debt, or saving for retirement) will be missing, and the Strategy's impact will be extremely limited. We remain firmly of the view that if the Strategy is to improve the financial capability of the UK as far as possible, it needs to focus on developing a culture of openness about money and equipping people with the skills and knowledge to manage their money, with a particular concentration on delivering interventions at key life stages. This appears to be recognised at points throughout the draft Strategy in relation to some priority areas, and we hope that the final version will reflect these more fully.

A negative focus

8. As a consequence of the above, we also feel that the focus of the draft Strategy is relatively negative, in that it focuses heavily on building resilience and security, planning for retirement and addressing problem debt. In terms of driving engagement in adults, these are not natural or easy areas to focus on. MAS' own research has found that up to 2.8m people who are over-indebted either do not recognise that they are in debt at all or are not concerned by it. Equally, we know that most people find pensions and retirement planning particularly difficult and disinteresting to engage with – these people, and millions of others who are not at immediate risk but could nevertheless benefit from improving their financial capability, are unlikely to be receptive to these areas of focus.

9. There is also currently a degree of confusion over the terminology in the Strategy, with 'financial capability', 'financial wellbeing', and 'financial resilience' all being used at points to refer to similar concepts. It is particularly important that MAS' use of these terms is consistent and clear, not just because this will affect the Strategy and MAS' own wider work but, because of the influence MAS wields, it will have an effect on the rest of the financial capability sector as well as what external funders look for in bids for funding for financial capability projects.

A lack of coherence

10. Because the Strategy at present is focused on a number of quite specific areas, it does not feel like a cohesive plan for improving the financial capability of the UK as a whole. The priorities, while unobjectionable on their own terms, seem like separate individual strategies of their own, rather than part of a complete whole. As we've set out above, it seems as though the Strategy has been developed by identifying a number of 'areas of concern' and drilling down into them, rather than mapping out

what a financially capable population would look like and working out the steps that would need to be taken to achieve that goal.

Delivery and MAS' role

11. Finally, and perhaps most significantly, it is not at all clear from the draft what role MAS intends to play in the delivery of the Strategy or how it expects to achieve the objectives. A large number of the recommendations in the draft Strategy are calls for action on the part of Government, the FCA, industry and the third sector, but there is a lack of detail on how MAS will encourage these stakeholders to deliver the actions it identifies. We highlighted in our response to the independent review of MAS that to be effective, the Strategy must recognise the need to fund initiatives delivered by third parties, and we repeat that call here.

12. At the moment the financial capability sector is small and highly concentrated, and is not in a stable financial position – this is in part because MAS has to date chosen to deliver its service directly to consumers under its own brand rather than working through the sector. As a large, statutory organisation with significant funds available, MAS could do far more to stimulate the sector and improve its sustainability, and this will be crucial to the Strategy's ultimate success. The level of provision at present for financial capability in the adult space is particularly low, but we would also point out that third sector provision of financial education to young people cannot be taken for granted either.

13. MAS' exact role in the delivery of the Strategy and whether funding for external organisations will be a primary delivery method are key issues that will need to be resolved, and it is unfortunate that there is not more detail about this in the draft.

Consultation question 1: What time period should the Financial Capability Strategy cover?

14. It is important that the Financial Capability Strategy balances a suitably long-term focus with practical steps that can be taken to achieve its aims. The length of time needed to manage this will depend on exactly what the Strategy aims to achieve and the methods through which it intends to achieve this, but a 5 to 10-year period seems the most appropriate.

Consultation question 2: What is your view of the Financial Capability Framework?

15. We agree that attitudes, skills and knowledge are all essential elements of financial capability, but we believe that behaviour should be included in the Framework. On p.15 of the draft it seems that 'behaviours' is now a separate step, between 'financial capability' and 'financial wellbeing'. It is not clear why this should be when the financial capability sector has long used 'behaviours' as an element of financial capability, or how this additional step interacts with the Framework.

16. The sector uses the term ‘financial capability’ in part to separate it from financial literacy (or similar terms) that do not encompass behaviours or actions. We feel that behaviours are an essential part of someone’s financial capability, not just a step between financial capability and financial wellbeing. It also appears to us that what is meant by ‘motivation’ could be captured by ‘behaviour’ and ‘positive influences’ in any case.

17. The diagram on p.15 also suggests that means and pressures influence the interaction between financial behaviours and financial wellbeing. As we state above, in our view behaviours should be incorporated into the Financial Capability Framework, but in any case the role of means and pressures is underplayed here. Means and pressures are not just factors that *influence* someone’s journey to financial wellbeing – they in fact can in some cases prevent someone from getting there at all.

18. While we agree that ease and accessibility of financial services (as well as available resources) are important for somebody’s overall financial wellbeing and, as we state in paragraph 52, initiatives to address these issues have a place in the Strategy. But we do not see them as core parts of an individual’s financial capability – they are external factors that interact with someone’s financial capability. If financial services are not accessible or easy to use the level of knowledge and effort someone needs in order to be financially capable is increased, but the ease and accessibility of financial services do not, in themselves, define somebody’s financial capability.

Consultation question 3: How far do you agree with the objectives of the Financial Capability Strategy?

19. The objectives of the Strategy seem sound, and if they were achieved they would represent a positive contribution to the financial capability of the UK. However, as we identify in response to question 6, it is difficult to see how these then relate to the priorities for action – the objectives are quite broadly about financial capability, whereas the priorities are heavily focused on the particular areas of debt and retirement.

20. It is clearly important for the objectives to relate closely to the priorities, as what is prioritised will affect what is achieved. At present, although we support the objectives, we do not feel that the rest of the Strategy focuses sufficiently on achieving them.

Consultation question 4: What is your view of the financially capable behaviour domains?

21. The financially capable behaviour domains set out in the draft Strategy are quite negative, and focus on guarding against income shocks or major expenditure (such as retirement, long-term care, or job loss) and getting help.

22. We would contrast these with the domains identified by the FSA, which we believe provide a more rounded view of an individual’s financial capability: making ends meet, keeping track, planning ahead, choosing products and staying informed. The domains identified in the draft Strategy largely relate to ‘planning ahead’, with little if any focus on the other areas. This domain is important, certainly, but it seems to have been prioritised above the others.

Consultation question 5: How important is it to measure financial wellbeing to help measure the impact of the Financial Capability Strategy?

23. We have a number of points to make in response to this question. The first is that the definition of ‘financial wellbeing’ used in the Strategy is very negative, and focused on ‘staying out of trouble’ – on ‘resilience’ and ‘security’ rather than more positive aspects that financial capability can bring to an individual’s life. Therefore even if wellbeing *were* the best measure of the impact of the Strategy, we don’t feel that it should be defined as it currently is.

24. As well as being unengaging, this view of financial wellbeing limits the extent to which some segments of the population can climb the ‘staircase’. The relatively young or those on low incomes would not be able to move up the staircase because of circumstance rather than financial capability; for example, a young person in their 20s is unlikely to have a fully-fledged plan for later life or a large degree of financial resilience, nor would it in many cases be practical for them to do so, so they would be stranded on the lower rungs. If the primary measure of the Strategy’s impact is the degree to which people have moved up the staircase, an unintended consequence of this could be that there is a reduced focus on the groups identified above.

25. This leads into a related point: improved financial capability does not necessarily immediately translate into improved financial circumstances or wellbeing. If someone is, for example, on a very low income or heavily indebted, financial capability cannot negate these circumstances, and may not be able to improve their circumstances. In these cases financial capability interventions could at best stabilise someone’s situation, or improve their sense of control over their situation and enable them to make better decisions if their situation improves than they would have otherwise done. These are useful, valuable outcomes that would not be immediately reflected in financial wellbeing data.

26. Someone’s overall financial wellbeing consists in part of elements that are outside of the control of MAS or the financial capability sector, such as income levels or the cost of household essentials. As the strategy says: “Financial wellbeing is a measure of an individual or household’s total financial situation. An individual or household’s financial capability has a major part to play but it is far from the whole story.” A young person in their early 20s may not be financially *well* but still be financially *capable*, which may only manifest itself through improved financial wellbeing later in their life. It is important to distinguish between these two concepts and to be clear about which of them is the primary aim of the Strategy.

27. We do believe that measurement of financial wellbeing would provide useful data, and do not object to it being one outcome that is tracked as part of the evaluation of the Strategy's impact. But we do not believe it should be the primary measure used to determined impact, for the reasons above.

Consultation question 6: What are your views on the priorities for action that have been identified as a focus for the Strategy? Should any additional areas be added?

28. The priorities for action identified as a focus for the Strategy are all important, but we are unconvinced of these as the priority areas for the UK as a whole. Particularly, there is a focus on later life and debt, which then permeates the rest of the strategy, but the rationale behind selecting these as particular areas of focus in the first place has not been made clear. Nor, as we point out in paragraph 20, is it clear how the priorities connect to the objectives.

29. There is a significant 'gap' in the areas covered by the priorities between 'children and young people' and 'older people in retirement'. For the 33m people who fall between these categories, the Strategy's priorities only apply directly to them when they are engaging with saving for retirement, or if they are in financial difficulty or financially excluded. We don't believe this is consistent with improving the UK's financial capability more generally, and while we recognise that the priority of 'influencing social norms' will impact these people it will not do so specifically, or to a great enough extent.

30. We have commented below on the individual aims and recommendations for the priority areas, but we would strongly urge MAS to look at the bigger picture and reconsider whether these priorities are the right ones.

Consultation question 7: How far do you support the Strategy's aim for children and young people?

31. We support the Strategy's aim for children and young people.

Consultation question 8: What is your view of the recommendations for action relating to children and young people? How could they be improved?

32. Generally, the recommendations for action relating to children and young people seem appropriate. However, we are concerned that MAS is identifying new areas of focus in the children and young people space without first acknowledging that there remains work to be done at secondary school level, despite its inclusion on the national curriculum.

33. There are significant concerns within the financial education sector around the limits of the actual content in the curriculum, the resources available for its delivery, and the fact that around half of secondary schools are not bound by the curriculum. In spite of this there is an attitude among several financial services funders of financial education that now it is on the curriculum there is no need for industry funding. This difficulty is compounded by the fact that many charitable trusts and foundations do not support programmes that deliver parts of the curriculum. We believe that MAS should be championing effective delivery of financial education at secondary level, including making the case to Government for more resources for its delivery at Key Stages 3 and 4, before calling for its extension to primary schools or identifying further areas of focus.

34. We have repeatedly made the point that those third-sector organisations that provide financial education in schools are highly dependent on insecure funding streams to conduct this work. If MAS identifies a new area of focus while provision of high-quality financial education at secondary level) remains uncertain, there is a risk that existing funders will transfer their money to that area of focus, or impose additional funding criteria (for example, that projects also help parents), thereby undermining existing capacity at secondary level – surely not the intention.

35. If MAS *is* to call for financial education to be included on the primary curriculum, it is essential that this is not the end goal. As has been shown on the secondary curriculum, simply including a few lines on the national curriculum will not ensure consistent, high-quality provision that engages pupils – this will need complementary support for teacher training, resources for delivery, and an appropriate focus on the topic in assessment and inspection regimes.

36. We also question whether a focus on motivating parents and carers to engage with their children around money from an early age (Recommendation 1) will be effective if there is no support for these parents to understand more about their own money. If parents and carers are expected to support their children to manage their money it is even more important that they themselves are financially capable; this adds further weight to our concerns that huge tranches of the adult population will not be reached effectively by the Strategy.

37. Finally, for a priority area that is intended to cover the ages of 18-24 there is also a disappointing lack of focus on young people at university or starting work, which are key points in that stage of life at which the way in which young people engage with their money changes.

Consultation question 9: How far do you support the Strategy's aim in respect of preparing for later life?

38. Preparing for later life is important, and we support the aim itself. However, as we state above, we do not feel that this should be the only aim in the entire Strategy that specifically relates to working-age people. Working-age people can benefit from

improved financial capability beyond saving for retirement – such as if they get married, have a child, or if they hope to save for a deposit on a house, or simply want to be able to manage their money better day-to-day.

39. A more useful aim, in our view, would be to first improve people's understanding of their money more generally and to encourage them to 'prepare for life', focusing on achievable, tangible short-term goals. Once this has been achieved, action could be taken to achieve particular longer-term goals, such as increasing saving for retirement. Instead, the aim seems to be to improve preparation for retirement without first helping people to understand more general money management, which is akin to asking people to build a castle without being able to make bricks.

Consultation question 10: What is your view of the recommendations for action relating to preparing for later life? How could they be improved?

40. We believe it is important for people to prepare adequately for later life, and that automatic enrolment and the Guidance Guarantee can play important roles in doing this. However, as we state above, we believe that taken together with the rest of the Strategy, there is a lack of foundation that is necessary if people are to be encouraged to prepare for later life. Particularly, there is a need to engage people with money in the first place, and to develop their understanding of saving more generally – without these, it is difficult to see how initiatives to encourage people to save for one particular goal, particularly such a long-term one, can succeed.

41. We also believe that the second element of recommendation 5 – '[Increase] take-up of financial capability support that focuses on budgeting and general money management skills to enable and encourage people to save more for later life' – is an intended outcome, rather than a particular action, and there is no suggestion of a route by which this might be achieved.

Consultation question 11: How far do you support the Strategy's aims for older people?

42. We support the Strategy's aims for older people.

Consultation question 12: What is your view of the recommendations for action relating to older people? How could they be improved?

43. The recommendations for action relating to older people are particularly specific, which is helpful, and provide concrete actions that can be taken.

44. What is less clear, however, is why some of these recommendations should apply only to older people. For example, Recommendation 7 is to "support … older people who find managing their day to day finances difficult to become more effective money managers". We believe strongly that a financial capability strategy should support

anyone who finds managing their day to day finances difficult to become more effective money managers; this support should not be reserved for older people.

45. Similarly, Key Insight 4 states: "There is limited evidence on the availability of information, advice and financial capability provision for older people, how they access it, and how effective it is." We agree with this insight, but again are not convinced it applies to older people more so than other age groups – in fact it seems that, insufficient though it may be, there is a relative wealth of support and information for older people compared to the wider population.

46. We have pointed out elsewhere in this response that the Strategy is very focused on people in debt and older people, and this is exemplified by the inclusion of 'help people make informed and sustainable decisions about funding long term care' as part of Recommendation 9. If the aim was to develop a Financial Capability Strategy for Older People, this would be an important part. But it is far from clear that this is a priority for the UK as a whole at the present time.

Consultation Questions 13: How far do you support the Strategy's aims for people with financial difficulties?

47. We support the Strategy's aim in this area, particularly its focus on preventing people from falling into financial difficulty in the first place.

Consultation question 14: What is your view of the recommendations for action relating to people with financial difficulties? How could they be improved?

48. The recommendations focus very heavily on people in circumstances where they are at particular risk of financial difficulty, or what happens to them once they develop debt problems. Although we support the joining up of MAS' debt and financial capability strands of work, we do not believe that the avoidance or mitigation of financial difficulty should be the main focus of a financial capability strategy. Financial capability has value for people who are *not* currently in difficulty, and has beneficial outcomes for those people beyond preventing them from getting into difficulty in the future.

49. We believe that the approach taken in Recommendations 10 and 11, which are about preventing financial difficulty, represents an excellent conceptual starting point for the rest of the Strategy, which should be based on developing people's underlying skills and attitudes towards money. This could then be complemented by measures for people who experience difficulty, but would also help to reduce the number of people who get into such difficulties in the first place.

50. A way to reach a wider number of people would be to identify the moments of income or expenditure shock – such as redundancy, having a child, or divorce/separation – and taking steps to reach people at those points so that those shocks do not become

crises. Such an approach would reach a wider number of people, at an earlier stage, and would offer financial capability support at a point when they are likely to be more willing to engage.

Consultation question 15: How far do you support the Strategy's aims in relation to the ease and accessibility of products and services?

51. As we state in paragraph 18, the ease and accessibility of financial products is not directly about an individual's financial capability, but are the other side of the coin – they are about how the financial services industry designs and markets its products. This affects individuals' financial wellbeing rather than their financial capability, which is comprised of their internal, personal characteristics.

52. However, we support both the inclusion of this as a priority area and the aim. If products and services are easy to access and use, an individual needs a lower level of financial capability to engage with them, and so the work required from organisations concerned with financial capability is reduced. This will therefore make the objectives of the Strategy easier to achieve.

Consultation question 16: What is your view of the recommendations for action relating to the ease and accessibility of financial services? How could they be improved?

53. The recommendations seem appropriate, although would benefit from more detail on how MAS will work with industry and the FCA to implement them. Additionally, some of the recommendations – such as Recommendation 17, which is "Help people to understand the consequences of the choices they are making" – relate to areas that regulators, industry and governments have focused on considerably in recent years. In these cases in particular it would be useful to understand more specifically the approach MAS intends to take.

54. The recommendations are largely concerned with what industry can do to improve the ease and accessibility of financial services. Addressing the 'supply side' of financial services is part of the solution, but this needs to be complemented by initiatives to improve people's ability to engage with those products and services. Without this, people who cannot access financial services because of a general lack of understanding, or fear, or confidence will remain excluded, however much progress is made on these recommendations.

Consultation question 17: How far do you support the Strategy's aims in relation to influencing social norms?

55. Influencing social norms around money is crucial to improving the financial capability of the UK, and we strongly support this aim. For huge numbers of people in the UK, whatever their situation, money is not something that is talked about – whether through embarrassment, politeness, or simply habit – and addressing this should be

at the heart of the Strategy. We believe that this aim should, therefore, be given greater prominence in the final Strategy; although we are pleased that it has been included, here, the lack of detail or supporting analysis for this priority area is disappointing.

Consultation question 18: What is your view of the recommendations for action relating to influencing social norms? How could they be improved?

56. We are encouraged that the recommendations in this section include a focus on key life events. Times like starting work, marriage, redundancy or having a child are often points at which people take stock of their financial situation, and therefore represent points at which people are particularly receptive to financial capability messaging.

57. However, it is unclear why these life events should only be deemed important in relation to 'social norms'; in our view reaching people at life events is core to successfully changing attitudes and behaviours and developing knowledge and skills.

58. It is also not clear how the two recommendations interact – are the 'simple money management messages' (Recommendation 21) intended to be delivered at the key life events in Recommendation 20? Or are the money management messages intended to be more ubiquitous, with just the interventions to be delivered at key life events?

59. We also, again, question the focus on 'resilience' in Recommendation 21. Simple money management messages can and should encompass more than this, such as budgeting or use of credit.

Consultation question 19: How far do you support the Strategy's aims relating to evidence and evaluation?

60. We agree that financial capability interventions should be well-evidenced and consistently evaluated, and we support the Strategy's aims around this.

61. We currently evaluate our delivery projects in greater depth than just activity/reach and customer satisfaction (although these are still valuable indicators), and adapt them accordingly. The most recent independent evaluation of our financial education workshops for 11 to 16-year-olds in schools, for example, found that the percentage of pupils who were confident they could create a budget doubled after the workshop, with similar results for being able to explain the pros and cons of types of credit, and knowing the difference between priority and non-priority spending.

62. We recognise that our existing evaluation methods only measure self-reported understanding and attitudes rather than 'real-world' behaviours, and do so very shortly after delivery of the intervention. Ideally we would track understanding, attitudes and behaviours over a longer period, but with funding for our work either

uncertain or extremely difficult to obtain in the first place this is simply not practical. With more secure funding we would be able to build longer-term evaluation into our work, and potentially identify changes in financial behaviour and social impact, but it is important to appreciate this constraint on evaluation.

Consultation question 20: What is your view of the recommendations for action relating to evidence and evaluation? How could they be improved?

63. We support the recommendations, and particularly Recommendation 23 – there is a clear need for greater evidence regarding the effectiveness of different strategies in key areas such as helping people overcome their natural reluctance to prepare for the future.

64. However, we would highlight that robust, longer-term evaluation will not be able to be met within current funding constraints. If, as per Recommendation 22, funders are to be asked to commit to using the evaluation framework, they need to recognise that this creates an additional associated cost to funding the work, and that the delivery organisation cannot be expected to bear this cost.

Consultation question 21: How would your organisation like to be involved in further development of the Strategy?

65. The production of the Strategy is a pivotal moment for the future of financial capability in the UK. It is crucial that we do not miss the opportunity to develop a credible Strategy that, over the next decade, can produce a step-change in the nation's financial capability and can bring leadership and sustainability to the sector. We are therefore absolutely committed to playing our part in this.

66. We believe that our comments on the draft Strategy set out a number of areas in which the Strategy could be improved and made more comprehensive, and would welcome further engagement with MAS and other stakeholders on how this could be achieved.

67. We suggest therefore that we would like to be further involved both collectively as part of the Youth Financial Capability Group and individually through one-to-one meetings at a senior level.

Consultation question 22: What role do you see your organisation playing in the implementation of the Strategy?

68. We believe strongly that the core of the Strategy should be delivered in partnership through third sector providers and others, and as the UK's leading financial capability charity we would greatly welcome the opportunity to be part of this.

69. However we would, again, point out that we will only be able to be actively involved outside of our current financial education delivery work if MAS is willing to adapt its delivery model to incorporate funding external partners. We believe strongly, that as the statutory body with responsibility for financial capability and with an adaptable funding mechanism, MAS has a responsibility (as it does in the debt advice space) to fund financial capability initiatives, not just deliver its own services. Since the original decision was taken to move away from this partnership model the financial capability sector has suffered. And if MAS wants to reach out effectively to different groups of people across the UK it is clear that it cannot do so alone. MAS has an opportunity to rejuvenate financial capability in the UK – where it leads, others will follow, and this coupled with more effective and joined up evaluation is in our view crucial to financial capability, the sector and the credibility of MAS moving forward.

70. It is difficult to set out precisely the role we see ourselves as playing in the implementation given the current gap in the Strategy's priorities in the adult space (see Paragraph 29). However, we have below set out some indicative areas in which we believe we would have the capacity to contribute – we would be happy to discuss these, or other potential areas of activity, in greater detail.

Financial education in schools

71. Since 2010 we have delivered financial education workshops to over 95,000 young people, helping them to develop their skills, knowledge and confidence with money. This is an area in which we have considerable expertise and experience, and we have a wide geographical reach, meaning we are able to deliver these workshops in most areas of England and Northern Ireland, as well as parts of Wales. Since the advent of financial education in the national curriculum, demand this term for our workshops continues to grow.

72. Earlier this year we, along with other organisations involved in the delivery of financial education in schools, formed the Youth Financial Capability Group (YFCG) to in order to work more cohesively together. We believe that there is a need for all the different activities that our respective charities deliver, but that they are all woefully underfunded.

73. So whilst we specifically would like MAS to consider funding our direct delivery workshops in schools, we want to ensure that our future activity is joined-up and co-ordinated with the other charities in the sector. We would ask that any support MAS does provide for financial education in schools is discussed and tendered through this group, rather than separately to its constituent members.

Students and parents

74. Another area which we are in the initial stages of developing is the joining up of our schools work, with the Student MoneyManual that we also provide. Uniquely, we

want to involve the parents of prospective students in this project. Parents are often the ones most concerned about student finance – indeed many put in the applications themselves – and of course a large proportion also fund their children at university. As a result this is a unique ‘just in time’ moment when parents and children will be receptive to thinking and talking about money together, as they prepare the young person for independent living. We already reach young people before and during their university time through our post-16 workshops (which include elements of student finance) and our Student MoneyManual, and we believe that delivering financial capability workshops to students *and* their parents would be engaging and relevant to both, particularly if combined with information about financial support at university. Our proposal therefore would be to create a new workshop aimed specifically at prospective students and their parents, alongside information about student finance.

75. We believe this would provide an ideal opportunity to deliver financial capability support and messaging to young people at an important stage in their relationship with money, as well as providing an avenue to reach adults.

The adult population

76. As we have stated throughout this response, we feel that there needs to be much more focus on working aged adults. We would be delighted to work with MAS to develop tailored interventions that meet specific age- and situation-appropriate needs, whilst using our unique approach to engaging with money.

77. As an example, we have recently developed two innovative money workshops (one two-hour and one full-day), designed to be delivered to adults and covering five core areas:

- How to plan your finances to enable you to stay on top of your money now and to help you to achieve your goals for the future.
- How to structure saving to make bigger things happen and to prevent financial blips turning into a personal recession.
- Problems repaying credit can happen to anyone, how take action to deal with it and where there is expert help available for free.
- How to choose financial products wisely and use them to enhance your financial well-being.
- How to keep on top of what’s happening with your pay, your cash and your bank accounts.

78. These are designed to help anyone get to grips with their money, but they also get people to think and talk about money and their relationship with it for often the first time. In addition, our full-day workshops also train people to help others with their financial situation. We have had interest in these from employers and a range of other organisations in the workshops – we believe that there is considerable scope for further work around these. In particular we would like to use the principles that we

have developed to create more tailored content for different cohorts of people or life stages. We would also want to develop complementary digital tools and services and much wider promotion, but our ability to do this and scale up the delivery of these workshops to tailored cohorts is dependent on secure, reliable funding.

Conclusion

79. We believe that the development of a financial capability strategy for the UK has the potential to transform the way in which people in the UK engage with their money throughout their lives. Ultimately, if successfully implemented, it will give people a greater sense of control over their finances, and will lead to improved financial and non-financial wellbeing for many.

80. However, as it currently stands we believe there are significant issues with MAS' proposed approach and priority areas, which we have set out in some detail in response to the draft. We look forward to engaging with MAS on these issues in the coming months, and hope that the final Strategy will offer a more holistic plan to improve the financial capability of the UK as a whole.