The Money Charity Response – FCA Call for Input on the Consumer Investments Market (December 2020)

The Money Charity is a financial capability charity whose vision is to empower people across the UK to build the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives, helping them achieve their goals and live a happier, more positive life as a result.[1]

We welcome the opportunity to respond to the FCA's Call for Input on the Consumer Investments Market, which we address in light of the FCA's 2020 Perimeter Review and our experience in providing consumer financial education.

In this response, we set out our Key Points, make some overall comments on the issue then answer a selection of the questions posed in the Call for Input.

[1] See box on back page.

Key Points

1. It is difficult to improve consumer investment markets by education because of the inherent complexity of these markets and the huge number of choices for consumers to process. Nevertheless, we think that trials of just-in-time consumer guidance should continue.

2. Because of uncertainty about the future, investors (even professional wealth managers) frequently make mistakes about individual investments or the future evolution of markets. This makes “beating the market” an unrealistic goal in aggregate.

3. For ordinary consumers/investors, the key thing is to create safe default investments within trustworthy institutional frameworks aimed at achieving average market returns over the long run. Automatic pension enrolment goes some way toward doing this, but there are better examples overseas such as the Singapore Central Provident Fund (SCPF) or the New Zealand KiwiSaver scheme. UK policy makers should look at whether more features of these schemes can be introduced in the UK context. Such schemes include active investment options in addition to the default option, so offer safe ways for consumers to increase their engagement with investment markets.

4. The UK should introduce a legal Duty of Care owed by all providers of consumer financial services (inside or outside the FCA perimeter) to avoid reasonably foreseeable harm to the consumer. This Duty of Care should be enforced by the FCA and should be actionable by consumers, either individually or by class action.

5. High net worth investors should receive a similar level of legal protection to that given to lower net worth investors. “High net worth” does not necessarily mean “high financial knowledge” and high net worth investors naturally attract poor advice and scams. The definition of “high net worth” should be based on assets (not income) and should be set at a higher level than in the current definition.

6. Similarly with so-called ‘sophisticated’ retail investors. The exemption for promotions to sophisticated investors should either be removed altogether (our preference) or be amended to a stricter and truer test of sophistication than the current low bar, so that unsophisticated investors cannot be coached through the test or flattered by being called “sophisticated” when in relation to the product being promoted, they are not.

7. The UK police, regulatory and enforcement agencies should increase the resources devoted to suppressing scams and fraud.

8. Digital innovation in financial services is to be welcomed, but there are issues to do with consumer data protection and decision authorisation that need to be sorted out before these services can become fully recommendable.

Overall Comments

Our experience of consumer investment awareness

As a financial capability charity, we deliver consumer financial education in a variety of in-person and online settings including secondary school classes, pension workshops and other workplace and community workshops. While much of our work focuses on skills such as budgeting, prioritising expenditure, types of credit etc, we do address long-term saving and investment, particularly in our pension workshops. We also see interest in long-term saving and investment among some participants in our school workshops.

This experience has made us aware of one basic fact: that the great majority of UK citizens and residents have little knowledge of investment markets. We find that many participants in pension workshops have low awareness of their own pension entitlement, even of their State Pension entitlement. One of the exercises we do is to take people through an on-screen pension calculator so they can sum their pension entitlements and see the savings gap between their aspirations and their current level of pension accumulation. The results of this exercise often come to people as a rude shock.

If we ask people, “Where does your pension fund invest your money?” the usual answer would be, “I have no idea” or “what does that even mean?” This applies to members of DC schemes as well as DB schemes, including schemes which offer members options about where their money can be invested. Many people find it difficult to understand the difference between DB, DC and hybrid schemes. As the FCA will be aware, many people have “lost their pensions” as a result of moving jobs and residences and perhaps changing their names in the course of their working lives. The coming Pension Dashboard is aimed in part to address this.

The problem of “zero knowledge”

When we discuss these issues with Independent Financial Advisers and wealth managers, we have been told that consumers in general have “zero knowledge” of financial investments. This applies to most rich people as well as people of limited means because most wealthy people earn their income outside the financial markets. People, we are told, tend to look in the wrong place for advice – for example from friends and relatives – and have difficulty distinguishing good advice from bad advice and scams. People tend to be either super-safe – for example, leaving all their savings in an instant access account – or take excessive risks, attracted by high promised returns from products they do not understand. One wealth manager said to us that “even people in the wealth management industry make poor decisions about their own wealth.”

It is easy to see these mistakes being made in live time. For example, as recently as late 2019, oil company investments were popular with wealth managers, despite global

warming and the Paris Agreement on Climate Change. These managers were unprepared for the collapse in oil company stock prices in 2020 brought about by the economic consequences of Covid-19. It remains to be seen how far oil stocks recover once the pandemic is over.

Some professional investors and fund managers may in theory believe in the Efficient Markets Hypothesis[2], but in practice each believes him or herself to be the exception. Every managed fund promotes itself on the basis that it intends to achieve "above market returns", even though the market is an average of what everyone in aggregate achieves. There are some exceptions, but the exceptional managers are far fewer than the number of people who believe themselves to be exceptions.[3]

The IFAs we have spoken with give little credence to the concept of a "sophisticated retail investor". There are so few of these people that, in our view, it is better for regulators to proceed on the basis that every retail investor needs protection from unscrupulous practices and unsuitable products.

Inherent complexity

Apart from human biases, there is an insuperable consumer challenge in investment markets, which is that they are simply too complex for the average person to understand. Even specialists have difficulty understanding some products and the way products interact in the marketplace, as we saw with the implosion of the derivatives market during the financial meltdown of 2008.

To make a "safe" investment, a consumer needs to do an enormous amount of research: understanding different platforms and paths to market, understanding different products, understanding key terms such as "price to earnings ratio" or "dividend cover", learning how to read Key Information Documents etc, and perhaps most difficult of all, taking a view on where markets, sub-markets and individual investments are going to go in the future.

For many prospective investors, this type of research is beyond them, or it is too time consuming or simply too boring. People have other more pressing things to do in their lives.

When investors do take the plunge, often they buy stories rather than facts. For example, "Electric cars are the coming thing. Tesla makes electric cars. Therefore, buy Tesla." Contrary to standard methods of stock valuation (some would say), this has led to Tesla

[2] The hypothesis that all available information is contained in the stock market price, so that no one, except by chance or insider knowledge, can "beat the market".
[3] https://en.wikipedia.org/wiki/Efficient-market_hypothesis#Weak,_semi-strong,_and_strong-form_tests

shares having a p/e ratio of more than one thousand in the course of 2020.[4] Tesla is being valued (arguably) as if it is the only company in the world that is making, or ever will make, electric cars. Whether this is a valid story will be tested over the next 3-4 years, as other auto manufacturers bring electric cars to market.

The alternative to doing investment research oneself is to employ a financial adviser. But financial advisers are too expensive for the size of most people's savings. For the rich, the task is to find a reliable financial adviser, which does not always work out. Because the market return is the average of all investors' returns, inevitably some advisers will generate above average returns while others generate below average returns. There is nothing wrong with the average: the average long-term market return is significantly higher than the rate of interest on cash savings, particularly at the present time when interest rates are unprecedently suppressed.[5]

The need for safe default investment frameworks for the ordinary saver

There are things the FCA is duty-bound to do to bear down on scams, dodgy products and misleading promotions, but in our view the way to improve the savings prospects for most people is **to develop safe default investments**, i.e. investments where ordinary savers can achieve average market returns over the long run as an alternative to leaving their money in the bank, putting it under the mattress or chasing unrealistically high rates of return from dodgy or scam promotions.

Safe investments require a **trustworthy institutional framework**.

The beauty of the now largely superseded DB pension system was that professional investors and fund trustees ensured (in most cases) the safety of the investments, while individual scheme members needed only to understand the amount of pension they were entitled to. For most scheme members, this was the appropriate level of required knowledge.

Operating in the DC environment, auto-enrolment plus NEST has begun to create a safe framework for the ordinary pension saver. We say "begun to create" because, despite its success, many people are not covered by auto-enrolment and those who are covered generally save at too low a rate for a decent DC pension. These shortcomings need to be addressed by future pension reform.

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[4] The long-term average p/e ratio is around 15-17. An expensive p/e ratio is 30+. Anything above this level suggests an optimistic view of future growth prospects. A p/e ratio of 1000+ would generally be seen to be excessive.

[5] At 0.1%, the Bank of England's base rate is by a considerable margin at its lowest level since the foundation of the Bank of England in 1694.

Overseas there are good examples of safe institutional structures for the ordinary saver. Two of these are the Singapore Central Provident Fund[6] and the New Zealand KiwiSaver scheme.[7] We recommend that UK policy makers look closely at these examples to see if we can adopt more of their features here in the UK. Key aspects of these schemes are:

- Universal or very wide population coverage.
- A strong brand with high local recognition.
- Individual accounts which automatically follow people as they change jobs and addresses. Rather than losing sight of their pensions, as happens in the UK, people in Singapore and New Zealand identify with their individual savings account, which stays with them throughout their life.
- Professional investment of the funds saved. The skills of the investment community are used to make sure the funds are invested wisely, which means that risk is diversified by sector, company, type of investment and internationally. Both the SCPF and KiwiSaver have large international as well as domestic holdings.
- A focus on long-term savings. The two key life events provided for are home purchase and retirement income. Being able to use savings to buy a house or flat makes the schemes popular with younger savers as well as older ones.
- In addition to housing and retirement, SCPF has a medical insurance aspect and KiwiSaver can be accessed to help respond to adverse life events, so contributing to New Zealanders' general financial resilience. With our NHS the medical insurance aspect is less relevant, but the UK could look at KiwiSaver's "adverse life event" condition, as many UK people – as shown by FCA research during the coronavirus pandemic – have low levels of financial resilience.[8]

Answers to Call for Input questions

We have answered a grouped selection of the Call for Input questions where we think our experience has most to offer.

Q3: What role could or should 'just in time' consumer education play in helping consumers make more effective investment decisions?

Q4: What more can we do to help the market offer a range of products and services that meet straightforward investment needs?

Q7: What are the barriers to firms providing simple investment products for consumers?

[6] https://en.wikipedia.org/wiki/Central_Provident_Fund
[7] https://en.wikipedia.org/wiki/KiwiSaver
[8] https://www.fca.org.uk/news/press-releases/fca-highlights-continued-support-consumers-struggling-payments

As indicated in our Overall Comments we think it is challenging to address the investment needs of ordinary consumers via education. This is because investment markets are too complex and there are too many choices for people to process. There are numerous wealth management firms, IFAs, funds and products bidding for the consumer's attention. Most ordinary consumers find investment markets bewildering, hence the tendency for large sums of money to remain in low interest bank accounts. We think the priority for policy makers should be to create **safe default investments** for the ordinary consumer, achieving **average market returns over the long run**, accessed via **trusted institutional frameworks**. Auto-enrolment has gone some of the way toward doing this, but there are better international examples such as the Singapore Central Provident Fund and the New Zealand KiwiSaver scheme. We recommend that policy makers look closely at these schemes to see whether we can introduce more of their features into the UK market.

Having said this, we think there is a case for experimenting with "just-in-time" guidance that intercepts consumers in the moment they are making decisions. An example is the FCA guidance on high-risk, high-promised-return investments that pops up when people do a Google search for high-return investments. In a few words, this pop-up reminds people of the risks and points them where to go for further information.

With more sophisticated search and AI techniques, it may be possible to generate guidance which is accurately targeted by market, product, investment profile etc

Such guidance should be formally tested for its effects on consumer behaviour with the results published for all with an interest to read.

The need for guidance has been intensified by the **pension freedoms**, which encourage and compel greater consumer involvement with investment markets.

Q8: Do you think financial guidance can help consumers make effective investment decisions? Why?

Q9: What are the barriers to firms providing financial guidance services?

As the Call for Input notes, the growth in guidance models is "frustratingly slow" (p 13). We think there are two basic problems:

1) The cost of approved financial advice is too high in relation to the average consumer's savings pot. To justify paying for IFA time, an investor needs to have a large sum of money available to invest. Most people do not have this.

2) Generic guidance may be correct in substance but leads to too many options for the average investor to research and weigh up.

To give an example, it is generally recognised in the investment community that passive investments (tracker funds) can be a good investment for the ordinary consumer. By tracking an index, tracker funds deliver the average market return for the market in question for a relatively low cost. Here is the opening paragraph of the explanation of tracker funds that appears on the Money Advice Service's website:

> "Tracker funds and exchange-traded funds (ETFs) are investments that aim to mirror the performance of a market index. A market index follows the overall performance of a selection of investments. The FTSE 100 is an example of a market index – it includes the 100 companies with the largest value on the London Stock Exchange."[9]

This paragraph is full of terminology that the average consumer will find hard to understand. Indeed, some of the terms, such as "market index" assume considerable economic and statistical knowledge. Then, if the consumer decides to buy an ETF, where do they go to do it? This requires further research. After finding a path to market, they would have to look at a range of ETFs, take a view on which looks the best for them, etc. This is activity for the aficionado, not the average consumer.

To be clear, we are not criticising MAS for the statement quoted above. We think it is a good statement. We think it is good that MAS has introductory investor pages and we think they are written well. But their appeal and usefulness will inevitably be to a minority of the consumer population.

What then to do about guidance? From our experience, we think that simplification is a key requirement. Guidance should focus on reducing the number of decisions a consumer need make to two or three key choices, maybe even one default "choice", then enabling consumers to make further decisions one-by-one at a pace that suits their interest and experience. For example, a consumer might start with a standard balanced default portfolio (no major decision required) then supplement this with a 'growth' or 'income' element according to their preferences. Targeted pop-up advice could provide them with guidance for each step. Importantly, warnings against scams and unrealistic promises should appear at appropriate moments, for example if a web search generates a list of promotions promising high returns.

As the consumer gains confidence and knowledge, they may be offered thematic, geographic or other more specialist investments. They need to learn the difference between individual financial securities, managed funds and passive funds. This is too

[9] https://www.moneyadviceservice.org.uk/en/articles/tracker-funds-index-funds-exchange-traded-funds

much to be learned at once at the beginning but is more feasible if the consumer starts from somewhere simple and safe then makes further decisions sequentially.

There is a large literature on consumer investment decision-making, which tends to confirm the challenges we have outlined above, but also offers some hints of things worth trying. For example, the Singapore Central Provident Fund offers 400 investment choices in addition to its default fund, but according to Fong (2020)[10] 84% of savers aged 50+ have chosen to remain with the default fund. Of the 16% choosing to make active investments, the main predictive factors are higher education, previous experience with investments and household finances, being male and in their early fifties rather than older. Interestingly, active investors were not associated with higher financial literacy but showed a wide range of financial literacy scores.

These findings suggest that a core default investment is the most meaningful option for the majority, but that the minority who have a propensity toward active investment could be helped by the step-by-step approach, building on previous financial experience, and with targeted guidance delivered at the appropriate time.

The investment choices offered by the SCPF have been pre-screened to remove scams and other inadvisable options. They are core, professional financial investment options approved by the SCPF, so the range of choice is narrower than would be generated by an Internet search.

Similarly, KiwiSaver in New Zealand has a default investment portfolio, but also offers active investors other options.

Q13: What do you think are the main causes of unsuitable financial advice e.g. weak competition, complex products, etc?

Q14: How can we target and prevent unsuitable advice without imposing additional requirements on firms which provide suitable advice?

In our view, the main cause of unsuitable financial advice is conflict of interest. Most cases of unsuitable advice that have come to public notice (such as the mini-bonds scandal or inappropriate pension transfer advice) involve situations where the advisor and/or product provider stand to gain financially from the poor advice. There is a spectrum of "poor advice" that runs from legal but inappropriate advice through to outright fraud and scams.

Unfortunately, where there is money, there will be unscrupulous people, or criminals, who seek to separate the money from the people who hold it. These can be friends or relatives, regulated or unregulated firms, or criminals offshore or onshore.

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[10] Fong J H 2020, "Taking control: active investment choice in Singapore's national defined contribution scheme", *The Journal of the Economics of Ageing* 17 (2020) 100249.

There is no easy answer to this, other than continual vigilance and regulatory reform to try to keep up with, and stay ahead of, emerging types of bad advice, bad products and scams.

One contributory factor is **unsuitable fee structures** that incentivise the giving of inappropriate advice. The FCA has shown it is alive to this risk, for example in its work on unsuitable DB pension transfers, and we encourage the FCA to continue scrutinising fee structures. It is also important that fees be "reasonable" in relation to the services offered. Although it can be difficult to tell what is "reasonable" we urge the FCA to keep assisting consumers (1) to understand what fees they are being charged (full disclosure) and (2) to develop a context for judging what is fair.

Among the remedies, we would like to see more avenues of redress for the consumer, for example, a legal **Duty of Care** that could be enforced by the FCA and provide grounds for civil action by disadvantaged consumers. A Duty of Care to "avoid reasonably foreseeable harm" to consumers should apply to all financial products marketed to consumers whether or not the product and/or the provider are regulated within the current FCA perimeter.

Complexity can be used deliberately as a tactic to mislead, but even where investment products are completely honest and regulated, they tend to be complex because of their inherent characteristics. Even a "simple" investment such as buying shares in an individual company is complex when you consider the analysis needed to make such an investment: understanding company accounts, p/e ratios and other valuation techniques, the state of the market for the firm's products and their likely future trajectory. It may be argued (following efficient market theory) that all such information is concentrated in the market price, so the investor can accept the price as a fair valuation but, as we have seen in 2020, this is not always the case. Values can be thrown by adverse events and crowd fashions and the less informed investor – and even some very well-informed investors – can find themselves unexpectedly sitting on large losses.

We suggest that the FCA focus on removing from the market products that are deliberately opaque or obscure, or where the true nature of the investment is hard to determine. The test should be that any reasonably well-informed investment professional should be able to quickly find the necessary information and understand the product in question. If professionals cannot understand it, it should not be marketed to the standard retail investor.

Q23: What do you think about how the current high net worth and self-certified sophisticated investor exemptions are working in practice and the level they are set at?

While this is not a group of consumers we focus on, we do not see the logic or justification for having a lower level of regulation for high-net-worth investors. This group, because of its wealth, will naturally attract scammers and other forms of inappropriate advice, and some in this group will be people in vulnerable circumstances (e.g. people who have recently inherited wealth or who may have had a recent bereavement). As pointed out in our Opening Remarks, IFAs we have spoken to about consumer investments regard most rich people as having low levels of investment market understanding, so they are at risk of being misled.

Further, the definition of high net worth as including someone "with an income of £100k+" seems to us to be factually wrong. A high-net-worth definition should involve a measure of assets, not income, be substantially higher than the £250k[11] assets in the current definition and exclude pension scheme savings, consumer durables and the family home(s).

For example, Investopedia defines "high net worth" as people with liquid financial assets of US$1million+ (and "ultra-high net worth" as US$30million +).[12]

As we said earlier in this response, the IFAs we have discussed this with give little credence to the concept of a "sophisticated retail investor". There are so few of these people that, in our view, it is better for regulators to proceed on the basis that every retail investor needs protection from unscrupulous practices and unsuitable products.

Q26: How can we make it easier for people to understand the risks of investment and the level of regulatory protection afforded to them when they invest?

We support the work already being undertaken by the FCA to warn consumers about unsafe and "too good to be true" investments, including working with Internet search engines to dilute or block the transmission of unsafe offers to consumers. Working with other parts of the regulatory system, we think this work should be intensified. A certain number of consumers will always fall prey to scammers and promoters of unsafe products, if they are exposed to these offers. The goal must be to make the investment environment as safe as possible, by regulating consumer offers and excluding unregulated offers.

While we understand the practical reasons for there being an FCA perimeter, we would like to see this as wide as possible, with the goal of including all significant retail investments within the perimeter. Having investments outside the perimeter is like having a food safety regime in which certain supermarkets do not have to comply with food safety regulations, or where regulated supermarkets are permitted to sell unregulated products.

[11] The present definition is, "income above £100k or assets above £250k." Call for input, page 18.

[12] https://www.investopedia.com/terms/h/hnwi.asp

This would be unacceptable in food safety and should be unacceptable in financial safety too.

One option would be to use or extend the FCA Principles of Business as a catch-all in cases of wrongdoing outside the current perimeter. The FCA would need to be clear that it is going to do this and will not be deterred from action by the absence of specific rules. Another option would be to introduce an enforceable and actionable Duty of Care, requiring all financial service providers to avoid reasonably foreseeable harm to the consumer.

Q28: What more can we do to ensure that when people lose money because of an act or omission of a regulated firm, they are appropriately compensated?

The key reform we would like to see is the introduction of a formal Duty of Care for financial service providers to "avoid reasonably foreseeable harm to the consumer". This Duty of Care should be enforceable by the FCA, but also actionable by consumers, either individually or via class actions. In our view, the fear of high compensation payments would force firms to take a more consumer-focused approach to their risk management.

Q29: What more can we do to ensure that compensation is paid for fairly by those that cause the loss?

We agree that it is unfair, as the Call for Input puts it,[13] that compensation payments under the FSCS are often paid by those that did not cause the loss. However, we are not sure how avoidable this is.

Financial firms operate in marketplaces where their competitors have high visibility. If firms know the FSCS will have to pick up the costs of consumer loss caused by poor firm behaviour, they are incentivised to report poor behaviour at the earliest opportunity. There is a role here for financial services trade associations. The financial services industry is a wealthy industry, and we think it reasonable to expect a high degree of self-regulation by the industry, alongside formal regulation by the FCA.

One option where financial firms (e.g. advisers) do not publish results would be to require such firms to report the performance of their clients' products and services to the regulator and/or their trade association. This would enable sub-standard firms to be picked up at an earlier stage, with preventative measures taken before significant losses occur.

Where firms fail to report accurately and losses later emerge, their principals should be penalised for breaching the rules. The level of penalty (including possibility of criminal prosecution) should be set so as to achieve rule compliance.

[13] Call for Input, page 23.

Q33: How can people be better protected from scams?

Q34: What do you think are the most suitable and proportionate remedies to further tackle scams and other online investment harms?

We support the FCA's anti-scam work and agree that this is serious issue. Far too many consumers have lost money to financial scams, sometimes with grave material and mental consequences.

Generally, we do not think that the UK police and other enforcement agencies have yet sufficiently adapted to digital crime. There appear to be too few resources going into digital crime, compared to the resources going into analogue crime. Some of the sums of money stolen via scams are very large and would be considered very serious thefts if they took place in the analogue world. When the thefts take place by phone and online, there seems to be a more fatalistic attitude, perhaps because of some of the difficulties noted in the Call for Input in tracking down online and/or phone scammers.

We recognise that widespread use of the Internet is still a relatively recent phenomenon. Nevertheless, we would like to see an acceleration in the authorities' work to suppress financial scams. Using the UK's large intelligence, police and digital resources it should be possible to trace and catch a larger proportion of scammers and to put in place barriers to prevent scammers reaching their intended victims in the first place.

It is particularly important to suppress scams given the **pension freedoms** which encourage and compel consumer engagement with investment markets.

Qs 35-39: Innovation and competition

The Money Charity welcomes digital innovation in financial services and looks forward to the emergence of a range of new consumer propositions. We see considerable opportunities for innovation to improve financial capability, for example via analytics, budget support, the optimisation of consumer decisions, automation, investment risk-appetite profiling, facilitating market participation etc. At the same time there are certain conduct risks, old and new, which the FCA and other regulatory authorities should try to design out of the system as far as possible.

As new propositions develop, our charity will need to decide what to say about them and whether to recommend them[14] when they come up in our financial capability workshops and publications. Making sure that key issues in consumer protection are covered is key to making propositions "recommendable".

[14] We are speaking here not about individual brands, but about generic digital propositions.

We have concerns about potential loss of control by consumers of their data and of their ability to make or confirm decisions. We would like to see clear rules and technical systems to make sure that:

- Automated decisions are limited to the specific circumstances the consumer has been asked to authorise.
- The terms of the permission are completely clear to the consumer.
- The permission is easily reversible or amendable.
- The consumer's data are not on-sold.
- The consumer retains practical control of their data along sub-contracting and commercial chains.

In the digital world, data are becoming the "new gold". The temptation to monetise and/or misuse data is strong and regulators need to think carefully about how this valuable resource is managed in a way that is fair to all parties, especially to the consumer who is the ultimate source of the data.

The problems that arose a few years ago[15] with continuous payment authorities (CPAs) illustrate the sort of risk that may arise with innovative products: consumers found their accounts being "swept" by certain creditors, who were in effect prioritising the repayment of their particular debt over all other calls on the consumer's money including essential living expenses. Consumers found CPAs difficult to cancel. The FCA tightened the rules, but CPAs remain a powerful method (more so than DDs) for creditors to extract money from customer accounts.

It has been reported by the *Times* newspaper that this account sweeping behaviour has already happened with at least one FS provider using Open Banking.[16] The problem with this behaviour is not only that it should not have happened, but that it damages the reputation of innovative services before many consumers have even tried them.

[15] https://www.fca.org.uk/news/news-stories/continuous-payment-authorities-it-your-right-cancel
[16] https://www.thetimes.co.uk/article/loans-firm-emptied-my-accounts-n8t7h7q5t?shareToken=0c39f1a0df6809057f54e03df72e7934

The Money Charity is the UK's financial capability charity providing education, information, advice and guidance to all.

We believe that everyone achieves financial wellbeing by managing money well. We empower people across the UK to build the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives, helping them achieve their goals and live a happier, more positive life as a result.

We do this by developing and delivering products and services which provide education, information and advice on money matters for those in the workplace, in our communities, and in education, as well as through influencing and supporting others to promote financial capability and financial wellbeing through consultancy, policy, research and media work.

We have a 'can-do' attitude, finding solutions to meet the needs of our clients, partners, funders and stakeholders.

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