



Written Evidence

**Communities, Equality and Local
Government Committee follow
up on the Financial Inclusion and
Impact of Financial Education
report**

from the Money Advice Service

October 2012

Written Evidence for the Communities, Equality and Local Government Committee follow up of the Financial Inclusion and Impact of Financial Education report published in November 2010.

1. The Money Advice Service welcomes the opportunity to update its evidence to the Communities, Equality and Local Government Committee. (We previously gave evidence to the Committee on the 20th May 2010 as the Financial Services Authority/CFEB using the brand 'moneymadeclear'. Previously as the FSA Financial Capability Division and subsequently as the Consumer Financial Education Body (CFEB) we linked into the Welsh Government Strategy 'Taking Everyone into Account' as a funder and a strategic leader. Now, as the Money Advice Service, we are aiming to continue as a key partner of Welsh Government by also providing services directly to the public in Wales and ensuring that these fit into the Welsh Programme for Government, where appropriate.
2. Our free and impartial service is available to everyone in the UK online, over the phone and in person, through our network of face-to-face money advisors. Since 2010, all our customer facing advice is available bilingually, in English and Welsh, we have a dedicated telephone helpline number for callers in Welsh, and we can arrange for f2f appointments to be carried out by Welsh-speaking Money Advisers.
3. Please find below, our update to the Committee's recommendations and the work that we have subsequently undertaken in Wales.

Recommendation 1. We recommend that the Welsh Government engage in dialogue with the UK Government, to emphasise that in the current financial climate, the provision of financial education has an even greater importance, and that finance should be utilised to enable the roll out of the Consumer Financial Education Body's (CFEB) Moneymadeclear service.

4. The Money Advice Service directly employs one Wales manager based in Cardiff as well as the strategic overview responsibility of one of the Executive Leadership

Team and the resources of the whole organisation to support those functions. The Money Advice Service then funds other organisations to provide services from Wales. This equates to

- a. 11 FTE staff employed to provide the face to face money advice service through Citizens Advice Cymru (this is the preventative financial capability service and is delivered across Wales)
- b. 32 full time equivalent staff funded by the debt project delivered by Citizens Advice Cymru and Shelter
- c. Turn2us deliver the contact centre functions and currently recruits 26 FTE people in Wales for the Money Advice Line, and by 2014 staff numbers will move to 46 as the service becomes fully mobilised. (The contact centre covers calls from across the UK)

Face to Face Money Advice (Preventative financial capability work on a one-to-one basis)

5. Citizens Advice Cymru is working with the Money Advice Service to deliver face to face money advice sessions across Wales, to help everyone make the most of their money. This service started in April 2011 and has been delivered from 6 hubs based in Bridgend, the Vale of Glamorgan, Rhondda Cynon Taff, Caerphilly County, Neath Port Talbot, Gwynedd and from October 2012, Denbighshire and Powys. Since the start of this service we have had 7474 sessions in Wales.
6. The face to face team work with intermediaries from across Wales, some of which have been new and different to previous typical CAB partnerships, such as Asda in Brynmawr, A4E in Caernarfon and Colwyn Bay and the Lyric Theatre in Carmarthen.
7. The money queries brought by members of the public have been many and varied. The top five subjects covered in Wales were Budgeting 30%, Social security and tax credits 23%, Credit and borrowing 17%, Pensions and retirement planning 10% and Mortgages 5%.
8. Our target for the face to face money advice team in Wales for 2012-13 is 5,280 F2F sessions.

Face to Face Money Advice – Case Study

A woman lived with her two young children in social housing in a Communities First area. Working in partnership with the Money Advice Service, the Communities First team referred this person to the face to face money advice team. Her husband had left her and was not contributing to their bills as he had promised. She came to the Money Advice Service session wanting advice about divorce and separation, and about making ends meet. The customer's tax credits had been stopped because the HMRC input a figure of £4,600 as £46,000 onto their system by mistake. She also had £1,000 rent arrears and her council were ready to evict her. The Money Adviser set up an appointment with the council that same week to sort out the client's issues with them. The Money Adviser also referred to a Citizens Advice Bureaux benefits specialist who stopped the eviction from taking place. The customer was really pleased as, in her own words, she had, "put her head in the sand" regarding her money issues.

Debt Advice

9. In July 2011 we announced, following a request from UK Government, that we will also, in addition to our major 'preventative' role helping people to better understand and manage their money, play a central role in the coordination and provision of debt advice across the UK, starting from 1 April 2012.
10. In Wales, particularly our work in contributing to the advice services review, we will work with both the Welsh Government and the Welsh Local Government Association, to ensure we better understand the funding arrangements across Wales and debt advice provision.
11. We are funding 32 debt advisors distributed across Wales to provide face to face support for 10,000 people each year. After six months of delivery, 5511 clients have received face to face debt advice in Wales.

Recommendation 2. We recommend that the Welsh Government invites the Welsh Language Commissioner (when established by the Welsh Language Measure) to engage with providers of financial education, to encourage them to ensure money advice is provided in Welsh, as well as other languages

12. The Money Advice Service, Welsh Language Scheme, was approved by the Welsh Language Board on 26th March 2012. Our full Welsh Language Scheme is available on line at <https://www.moneyadviceservice.org.uk/files/welshlanguageschemeinenglish.pdf> .

13. Below is a summary of our commitments for delivering services in Wales from September 2012:

- a. Our website is now available in both English and Welsh languages. This includes articles, tools and calculators. (Exceptions to this is video content and all digital media that works within an environment of instant communication, such as social media, including Twitter, and online advertising.)
- b. We provide a Welsh language telephone help line 0300 500 5555
- c. For face-to-face meetings of the Money Advisers we defer to the contract holder's (Citizen's Advice Cymru) Welsh Language Scheme and they make appropriate facilities available when requested.
- d. Individuals and organisations can order from our range of 30 bilingual tilt and turn printed guides.

Recommendation 3. We recommend that the Welsh Government make a public commitment that it will seek to ensure that the strategic role of the Wales Financial Education Unit is sustained and developed to help improve the provision of financial education both in schools and within the wider community

14. The Money Advice Service recognises the importance of engaging young people below the age of 16. This period in their lives represents an opportunity to ensure young people are equipped with the knowledge and skills and establish the motivations and attitudes that will enable them to make independent financial

decisions. There is already a great deal of work going on in this area. We believe the most valuable contribution we can make is to use our independent status to identify and promote good practice in educational interventions that will build the financial capability of young people in UK.

15. In July 2012 we held a seminar at the Senedd to outline our plans to key stakeholders in Wales including colleagues working in the Welsh Financial Education Unit. We will continue to add to the field's understanding in particular identifying those interventions most effective in developing the financial capability of young people.

16. We will work with partners in Wales, including WFEU to ensure the school environment delivers positive outcomes in terms of financial capability for young people. We will use our behavioural expertise and insight to help ensure programmes and resource have the greatest impact including addressing elements of young people's attitudes and motivations, and encourage programmes that ensure teachers have access to good quality support and resources enabling them to deliver effective financial education to their pupils.

17. In addition, we would like to inform the Committee that independent research conducted on behalf of the Money Advice Service in 2012 suggests the financial services industry spends in excess of £25million each year and provides many hours of staff time directed at improving the capability of young people.

Recommendation 4. We recommend that the Welsh Government provide a 'central hub' of information about financial capability projects, and giving monitoring and evaluation guidance for the design and implementation of new projects and services. We anticipate that this would also include a directory of existing resources which it considered suitable for schools to utilise in providing financial education. We anticipate that this would facilitate the sharing of good practice, and would also enable schools to quickly identify and develop links with potential partners for the delivery of financial education in their local areas

18. We are aware that the Wales Cooperative Centre is leading on developing an online central hub of financial capability information on behalf of Welsh Government. We are a member of the advisory group that is working with the Wales Cooperative Centre to deliver this by the end of the financial year. We have agreed to support links from this hub, to the relevant content, tools and resources on our website.

Recommendation 5. We recommend that the Welsh Government, through forums such as the financial inclusion steering group, and in association with the UK Government, encourage financial organisations to provide funds for independent organisations to provide financial education programmes engage with both public and private sector employers to encourage them to facilitate the participation of their employees in workplace based financial education seminars, and in receiving financial education resources

19. In June 2010, Members' visited Garnlydan Information Shop, to observe a workplace based seminar, on 'making the most of your money'. This seminar has now been broken down into 4-5 minute videos by section so the user can access content that is specific and relevant to them at that time. These videos are still being finalised but [here](#) is an example.

20. We have a specific work and money section on our website explaining different aspects such as understanding a payslip etc. The link is [here](#)

21. We also have our hard copy guides which can be accessed, ordered and delivered for free [here](#)

22. Also, we are working closely with the DWP, TPAS and regulators to ensure good and consistent automatic enrolment information and advice is provided for all employees. We are developing our tools and planners to support this, including developing a tool to enable people to understand whether they are affected by the introduction of auto enrolment, understand the options available to them for

retirement saving, including saving extra, and help people understand the impact of these options on any existing saving for retirement.

Recommendation 8. We recommend that the Welsh Government ensures that the provision of financial education is a compulsory element of the PSE framework, and reviews the emphasis placed on financial education on a regular basis

and

Recommendation 9. We recommend that the Welsh Government invite Estyn to consider whether the standards of financial education delivered in schools, including provision delivered through external agencies, are adequately promoted and monitored.

23. We support these recommendations and note the specific money outcomes included in the recently published National Literacy Programme which has set out the actions the Welsh Government intends to implement to improve literacy and numeracy standards in Wales.

24. As part of our wider research programme we are measuring the financial capability of 15-16 year olds. We have also, working with others including WFEU established a clear view of what financial capability means at different stages of a young person's development. Please see a copy of that research here <https://www.moneyadviceservice.org.uk/files/impactreviewoffinancialeducationforyoungpeople.pdf>

Recommendation 10. We recommend that the Welsh Government consider undertaking a sustained media campaign to help people to understand the benefits of financial inclusion and education, and how they can access support and financial services (including basic bank accounts and home contents insurance) locally, working with stakeholders at local and national levels

25. The Money Advice Service marketing campaign, the present phase of which ran from 10 September until 15 October, is in support of the Service's statutory responsibility to make the nation more financially capable.

26. The campaign is designed to let millions of people know where they can find free, impartial money advice and how the Money Advice Service can help them. It highlights the money issues that affect people every day and also longer term. The TV campaign focussed on budgeting, redundancy and moving home. The wider press, poster and digital advertising concentrated on other life events, including young people, having a baby and retirement.

27. Our early estimate is that, in Wales, the TV campaign reached 87.3% of the population (viewing TV) who will have seen one or more of our commercials approximately 9 times.

28. We ran posters and press advertising in accordance with our Welsh Language Scheme. Just over one third of the posters we ran appeared in Welsh. We also ran press ads in Welsh in Golwg, Daily Post and South Wales Evening Post.

Recommendation 11. We recommend that the Welsh Government continue to engage with high street banks to take a more positive approach to the opening of basic bank accounts

29. We are very supportive of this recommendation and our website has comprehensive information for people.

<https://www.moneyadviceservice.org.uk/en/articles/basic-bank-accounts>

Recommendation 13. We recommend that the Welsh Government continues to engage with stakeholders and the UK Government to raise awareness of illegal money lending and the damaging impact it has on families and communities. As part of this, we anticipate that the Welsh Government will continue to engage with partners to ensure that the valuable role of the Illegal Money Lending Unit is sustained and developed.

30. The Money Advice Service has worked closely with the Wales Illegal Money Lending Unit (WIMLU). We have jointly delivered presentations with the WIMLU Client Liaison Officers to ensure the wide spectrum of financial inclusion and financial capability has been highlighted to groups such as 'Families First' and Mental Health workers and others. The Money Advice Service also is a member of the WIMLU National Stakeholders Group.

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