

# UK Strategy for Financial Wellbeing

2020—2030

<https://youtu.be/9epkePL3iKY>



Money &  
Pensions  
Service



# MaPS: Statutory functions

## Financial Guidance and Claims Act 2018

### Objectives

- A. to improve the ability of members of the public to make informed financial decisions,
- B. to support the provision of information, guidance and advice in areas where it is lacking,
- C. to secure that information, guidance and advice is provided to members of the public in the clearest and most cost-effective way (including having regard to information provided by other organisations),
- D. to ensure that information, guidance and advice is available to those most in need of it (and to allocate its resources accordingly), bearing in mind in particular the needs of people in vulnerable circumstances, and
- E. to work closely with the devolved authorities as regards the provision of information, guidance and advice to members of the public in Scotland, Wales and Northern Ireland.

### Functions

- A. the pensions guidance function;
- B. the debt advice function;
- C. the money guidance function;
- D. the consumer protection function;
- E. the strategic function.

# Why a UK strategy for financial wellbeing?

According to the OECD, the UK is well down the G20 rankings in terms of financial wellbeing.

MaPS has been given a legal duty to coordinate a national strategy to address this vital issue.

If stakeholders across the UK unite to address financial wellbeing, we can have a significant impact on individuals, communities, business and the wider economy.



**5.3m**

children do not get a meaningful financial education



**9m**

often borrow to buy food or pay bills



**11.5m**

people have less than £100 in savings



**22m**

do not know what they need to plan for retirement

# Why financial wellbeing is important

Financial wellbeing is about feeling secure and in control. It is knowing that you can pay the bills today, can deal with the unexpected, and are on track for a healthy financial future.

In short, confident and empowered.

Financial stress can have a big impact on people's lives. If employees have poor financial wellbeing, employers suffer too — lost productivity could impact businesses' bottom line by as much as 4%.

Financial wellbeing matters for all of us.  
A financially healthy nation is good for:



# UK Strategy for Financial Wellbeing



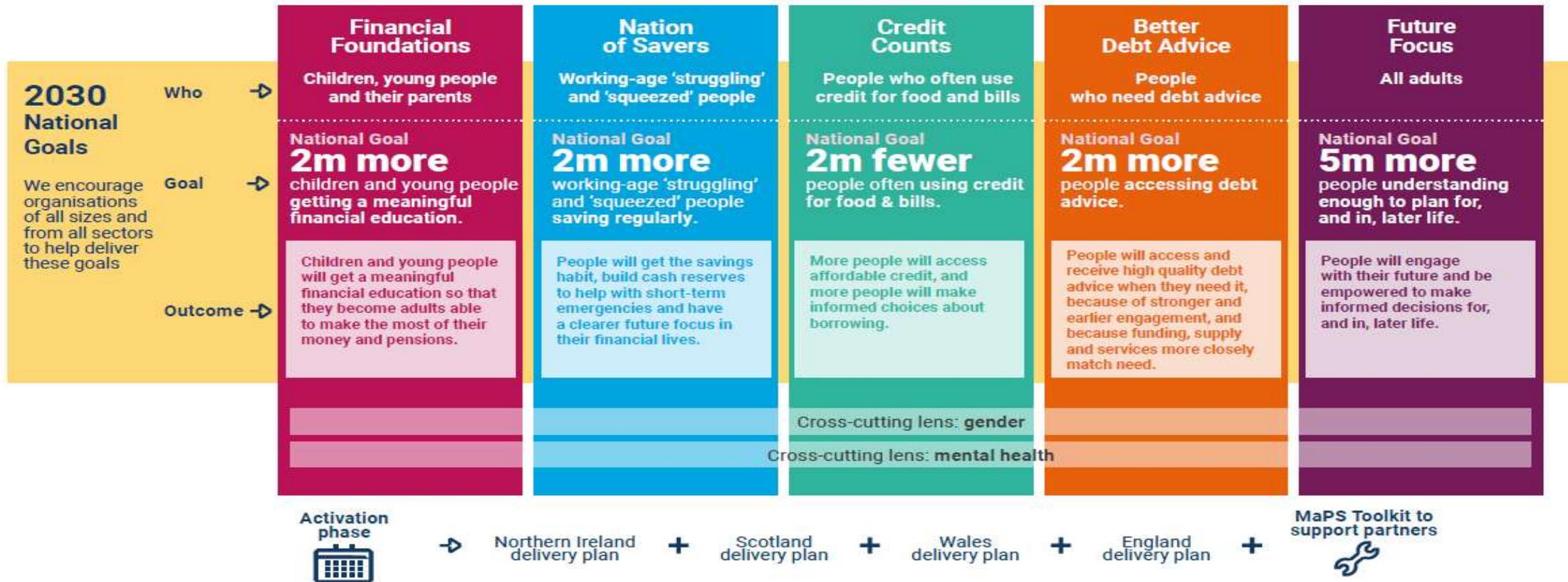
We believe: **A financially healthy nation is good for individuals, communities, business and the economy**



Our vision: **Everyone making the most of their money and pensions**



Our shared **Agendas for Change**– the five ways we will drive change at scale, working with others



# The strategic priorities: Agendas for Change

Many organisations right across the UK are already working to improve financial wellbeing.

Some examples of these activities are shown below and on the next page.

The UK Strategy will build on this work, strengthening collaboration and involving a wide range of organisations to achieve the 2030 National Goals.

**ILLUSTRATIVE EXAMPLES ONLY**

What if by 2030 ...

Right now ...



## Financial Foundations

... many more children had meaningful financial education at school?

UK Finance are bringing together leading banks to share insights and resources to help improve the financial wellbeing of children and young people.



## Nation of Savers

... many more people were auto-enrolled on savings schemes, supported by employers and policymakers?

Timpson and others are piloting 'sidecar savings' to help people make the most of automated payroll savings.

# The strategic priorities: Agendas for Change

***ILLUSTRATIVE EXAMPLES ONLY***

## What if by 2030 ...



### Credit Counts

... consumers knew more about the benefits of affordable credit, and had the information they need to make good decisions about credit?



### Better Debt Advice

... creditors across all sectors followed good practice in supporting people who were in (or were threatened by) financial difficulties?



### Future Focus

... consumers had easy access to a range of personalised tools and guidance, enabling them to make good decisions about their future?

## Right now ...

Fair4All Finance are leading an initiative to make affordable credit more widespread and accessible.

Creditors in a range of sectors are working to implement codes of practice, to better support customers experiencing financial problems.

The Pensions Dashboard, which is in development, will tell people how much their pensions will give them and help them make good decisions about what to do in response.

# Collaborating across the UK

## Activation

If people in the UK are to enjoy better financial wellbeing, many different organisations need to work together towards the National Goals.

In early 2020 stakeholders across the UK will come together to address the key strategic priorities for the UK, creating specific delivery plans, and setting milestones for the ten-year journey towards better financial wellbeing.

The activation stage of the strategy will conclude by summer 2020.

## Joining in

To succeed, stakeholders from different sectors will need to collaborate, share insight and knowledge, and deliver impactful financial wellbeing initiatives.



private  
sector



voluntary  
sector



public  
sector

## Across the UK



Each UK nation will have its own delivery plan

# What do we want to achieve by the end of the activation phase?

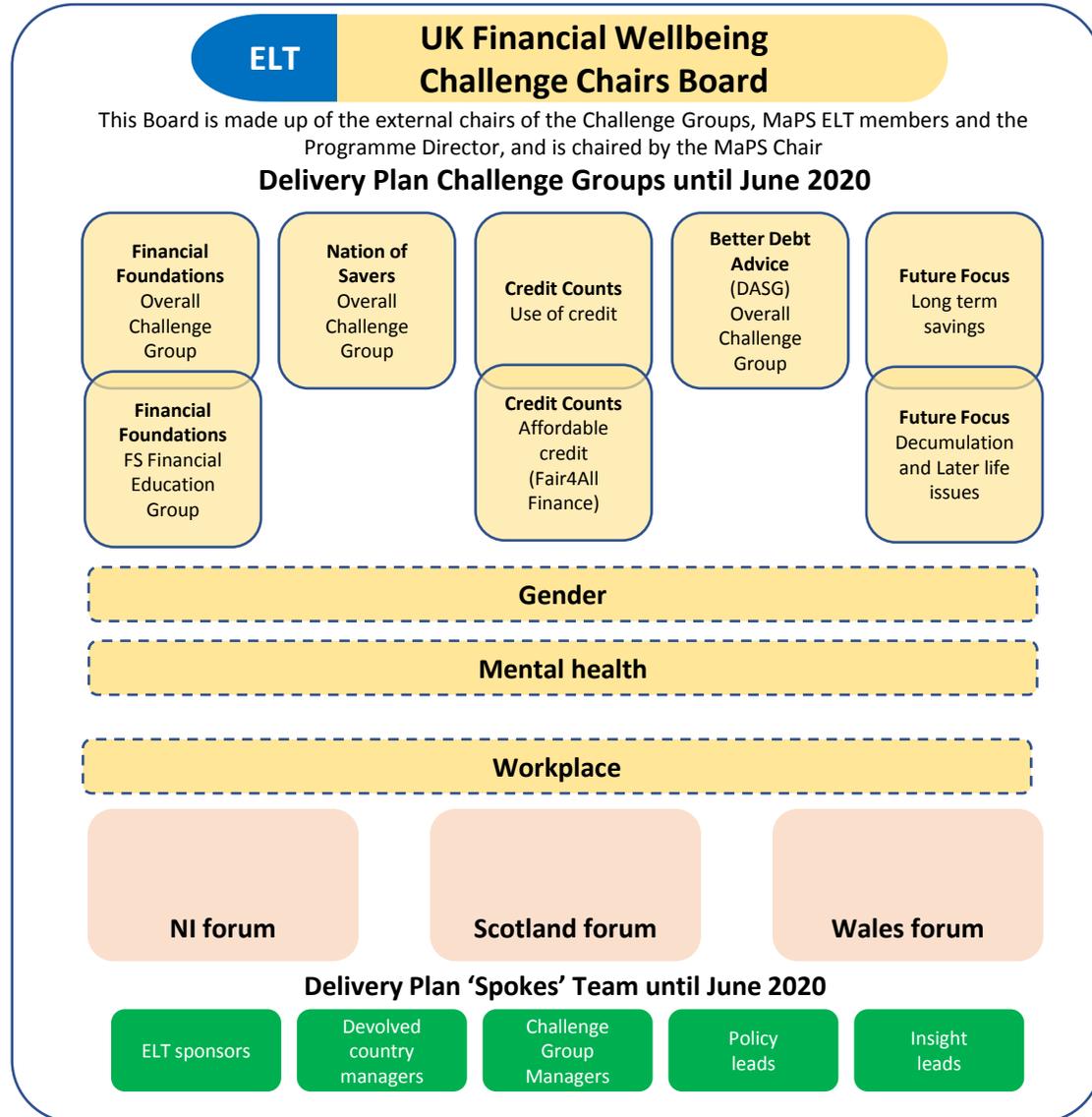
## Activation phase

Launch to Summer 2020

- Delivery plans for England, Northern Ireland, Scotland, Wales
- Delivery Plans for each of the 5 Agendas for Change
- Delivery Plans for women, people experiencing mental health problems and workplace
- Movement Strategy, Pledge Mechanism and Movement Plan
- Financial Wellbeing Summits (launch conference and Nations events)
- And at the same time...
- Support development of MaPS toolkit and delivery spend for 3-year Corporate Strategy



# Challenge Group overview



- Each Challenge Group will make recommendations about delivery proposals to achieve a specific 2030 National Goal. These recommendations will inform the nation delivery plans and MaPS Corporate Strategy
- The Challenge Groups will start in February 2020 and will present their recommendations in June
- Each Challenge Group will meet in person at least monthly. Groups may decide to meet more frequently, and additional meetings may take place either physically or virtually
- Each Group will be made up of senior decision makers from a range of organisations (in most cases, there will be a mix of public, private and third sector organisations within the Group)
- Membership of each Challenge Group will be limited to a maximum of 12 members
- MaPS will support the work of the Challenge Groups by providing evidence, insight, tools and programme management

*The Terms of Reference for each Challenge Group will be formally agreed by all participants at the first meeting.*

# Business Plan



Our vision is a nation where everyone is making the most of their money and pensions, and everything we will do as an organisation will be in support of improving UK financial wellbeing.

In 2020/21, we have three overarching priorities:

1. **Create a movement** – working collaboratively with many different organisations towards the same goals as we mobilise and activate the UK Strategy.
1. **Deliver for customers** – focusing firmly on aligning what we deliver for the National Goals set by the UK Strategy with an absolute focus on improving outcomes for consumers.
1. **Build strong foundations** – building strong foundations for the future by successfully bringing three organisations into one to take forward our three-year corporate strategy (Autumn 2020).

# Encouraging the right behaviours



We want to move individuals relationships with money from being primarily transactional to being part of their everyday lives – in particular, address the “shame” issues.

- **Workplace:** Using the workplace as a channel to promote long-term savings and financial well being. We engage with employers through both national and community levels, using our new regional partnership teams.
- **Working with DWP on a Universal Credit programme:** Better operational alignment and customer outcomes between Help to Claim (Citizens Advice and CAS) and the MaPS service, including warm transfer arrangements between our contact centre and Help to Claim.
- **Early engagement:** Working with banking industry to provide more coordinated financial education to help ensure that people leave education with equipped with the skills to manage their money.
- Investigating utilising NHS touch points and other community initiatives
- **Behavioural interventions:** We are currently considering the feasibility of greater behavioural ‘nudge’ interventions in encouraging engagement. This is particularly relevant to later life saving.

# Pathfinders



- Parenting programme to teach children about money – using tested “Talk, Learn, Do” materials
- Money supporter training – Shelter Scotland and partners to train frontline practitioners dealing with people in supported housing to get help with their money
- Youth Checkpoints – Young Scot leading a programme with CDN and Fast Forward targeting 2500 young people entering the workplace or entering/graduating from college or university to
  - Manage credit and increase financial resilience by building a savings buffer
- Local Community Partnership in North Lanarkshire - Organisations including employers, community groups and the local authority have been working together to target various interventions at the ‘working age’ population in North Lanarkshire, helping people to improve their financial wellbeing by getting into the habit of saving regularly and reducing the use of credit for everyday essentials.

# Financial First Aiders - Pilot



- Concept of a **Financial First Aider** was created as a way to expand access to financial guidance via the workplace
- Talking to a trusted colleague, trained as a **Financial First Aider**, can help address issues around money and pensions
- **Financial First Aiders** are able to point colleagues to the appropriate guidance and make a real difference to financial wellbeing
- Opportunity for organisations to take part in wider roll out of **Financial First Aider** pilot in Q3 2020 to help us shape and evaluate the offering

# What support would be helpful to drive forward the Financial Wellbeing agenda?

- Assist in raising the profile of financial wellbeing in public and policy debate.
- Give financial wellbeing a greater profile in forums and networks.
- Support MaPS engagement with employers, stakeholders, health service etc across Scotland.