



Consultation on the Money Advice Service's 2016/17 Business Plan



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Key highlights

In 2016/17 we plan to:

- ➔ complete the process of **reshaping the Money Advice Service** to be a strategic influencer of the financial capability sector, co-ordinating a wide range of partners so that we all begin to deliver on the commitments of the Financial Capability Strategy for the UK
- ➔ **conduct trials, pilots and research into 'what works'**, tackling a range of key issues in money management, including practical methods and rules of thumb to help people manage their money better
- ➔ provide more capacity in the free debt advice sector by funding **new telephone helpline capacity**
- ➔ run a series of tests with specific **target groups of over-indebted people to bring them into advice earlier**
- ➔ through our debt advice partnerships, fund **help for hundreds of thousands of heavily indebted people (15% more than in 2015/16)**, giving them simple ways to face up to their debts, reach agreement with creditors, and re-plan their lives
- ➔ partner with multiple organisations to develop and measure a **nationwide campaign to help consumers see where they can cut costs out of everyday spending**, and begin to put money aside for a rainy day
- ➔ partner with DWP to support people transitioning to Universal Credit by providing a **free, fast tool to help them with their household budgeting**
- ➔ provide a **gateway to the best sources of guidance and advice** for people who want to make better choices about financial products, refocusing our website so that it particularly supports people at risk of financial shocks. It will help them to find the very best free information on the internet that can help them deal with money freedom and money choices
- ➔ **work with and influence the financial services industry and regulators** in relation to the long-term needs of particular segments of the market
- ➔ partner with key organisations delivering **financial education in schools** to help them evaluate their work against high standards of evidence and impact.

These proposals are the first step in delivering on a new set of strategic aims, which cover our work through to 2019. We welcome your comments and challenge; they will strengthen our work to make a difference to the daily lives of millions of people across the UK.

Introduction

As a nation we face some very significant challenges in financial capability:

- ➔ **four in ten adults are not in control of their finances**
- ➔ **one in five cannot read a bank statement**
- ➔ **four in ten have less than £500 in savings.**

The Money Advice Service exists to help people manage their money better, but with financial capability levels so stubbornly low it is quite clear that we cannot do this alone. We need a collaborative approach to bring about real change.

We will succeed if we align the resources of government, financial services, charities, advisers and intermediaries, all working together to deliver maximum impact.

2015/16 has been a pivotal year for the Money Advice Service – preparing the way for a new approach in 2016/17.

Over the course of this year we have been reshaping our organisation to reflect the Independent Review of the Service carried out by Christine Farnish (published in March 2015) and to drive forward the collective impact of financial capability partners.

In considering the Independent Review, we were helped by a strong Independent Panel of experts, to whom we would like to record our thanks. Their input has been both challenging and constructive; it has contributed greatly to a new and powerful sense of direction right through the organisation. With their help, we have taken a long, hard look at the priority needs within money guidance; the purpose and value for money of all our direct channels; and how we should measure success.

Our discussions with the Panel have been instrumental in shaping our three-year Corporate Strategy, on which we are inviting comments as part of this consultation and which provides the framework for our 2016/17 plans.

We are on track to deliver a strong performance against the Key Performance Indicators set out in our 2015/16 Business Plan. We are reaching more people than ever before, in spite of a reduction of 20 per cent in our money guidance budget. We continue to raise the number of high-quality debt advice sessions we fund while reducing the cost per session. We intend to share and reuse these efficiency lessons from our debt advice work across our money guidance.



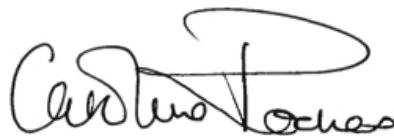
Andy Briscoe
Chairman,
the Money Advice Service



Caroline Rookes
Chief Executive,
the Money Advice Service

One of the biggest milestones in 2015/16 has been the launch of the Financial Capability Strategy for the UK (UK Strategy) in October 2015. The Money Advice Service led development of the UK Strategy and we will continue to play a central role in its implementation, reflecting our strategic approach. But the UK Strategy is there to enable and focus collaboration between a very wide range of stakeholders and partners. We are here to support, encourage and advise these partners; and to fill mission-critical gaps.

The Financial Capability Strategy for the UK represents an ambitious ten-year vision for how, working together, we can achieve a step-change in people's ability to manage their money. The 2016/17 Business Plan, together with its accompanying Corporate Strategy, sets out how the Money Advice Service will play its part in starting to turn that vision into reality. Now more than ever, the views and insights of our stakeholders are essential to the success of our work and we look forward to receiving your comments.



Questions for consultation

This document sets out the Money Advice Service's draft Business Plan for 2016/17 for consultation.

We invite stakeholders to review our draft plan and provide feedback on it. We have included questions below on areas where we would particularly welcome views.

The consultation closes on 15 February 2016. Responses should be sent to: businessplan@moneyadviceservice.org.uk

We will publish our final 2016/17 Business Plan in March 2016.

The three-year Corporate Strategy for the Money Advice Service

- 1 Do you have any comments on the types of customers we propose to target our efforts towards, as set out in our three-year Corporate Strategy?
- 2 Do our six aims cover the right areas for the three-year Corporate Strategy period, and do they set the right level of ambition for the Money Advice Service?

Aims 1-6: our programme of work for 2016/17

- 3 Given the intent and scope of our aims, what are your comments on the activities and priorities we have set out in each chapter covering our programme of work against each aim for April 2016–March 2017?

Measuring our impact

- 4 Do you agree that the performance indicators we have identified effectively capture the intended impact of the Service's work?
- 5 Are there any other ways we could measure our effectiveness?

Our service in the devolved countries

- 6 Do our plans understand and reflect the distinctive financial capability needs in the devolved countries of the United Kingdom?

Questions about the plan overall

- 7 Do you think the Business Plan sets the right direction for the Service over the period 2016–2019 and specifically 2016/17?
- 8 Is there anything missing from the Business Plan? Are there any specific solutions, partners or techniques that you would expect us to make use of, in relation to the financial capability challenges we aim to tackle?
- 9 What are the key risks and issues you would expect us to address as we deliver the plan?
- 10 Is the plan clear and easy to understand? If not, please indicate sections that you think should be made clearer.

Half-year highlights from our current business year

At the time of publication we are a little over halfway through our current business planning year, which runs from April 2015 to March 2016. We are pleased to say that, as we review the results from that half year:

- More people than ever are getting help with money matters from the Money Advice Service; we achieved over 11.4 million customer visits to our website, phone and face-to-face services between April and September 2015. In the same period, 3.4 million actions were taken to improve budgeting and 481,530 actions were taken to save regularly. This puts us on course to meet our target, and will indeed deliver a 10% increase in our customer contacts, despite our budget for money guidance being down 20% and our marketing budget reduced by twice as much.
- Customer satisfaction remains high – 88% would recommend the Money Advice Service to others.
- Just as in previous years, the number of free debt advice sessions we fund has gone up while the cost to help each person has gone down, which reflects the strong strategic partnerships we have formed with debt advice lead organisations. We funded over 95,000 sessions between July and September 2015 – an increase of 90% on the same period a year before. Nine out of ten people who received debt advice went on to take an action to improve their finances.
- Applications for a three-year debt advice funding programme in Northern Ireland opened in September with up to £1 million available to potential partners in the first year.
- We successfully launched the Financial Capability Strategy for the UK, and have made significant progress in our research and development work to improve financial education for children and young people, including an innovative partnership to fund projects that will build the evidence schools need.

The new partnerships we are developing in light of the Financial Capability Strategy for the UK promise to amplify this approach on an even bigger scale.

A three-year Corporate Strategy for the Money Advice Service

This section of our Business Plan looks beyond 2016/17. With the Financial Capability Strategy for the UK established, we now set out how we will implement fundamental changes, to become a more strategic and evidence-based organisation, focused on a small number of clearly identified gaps. We have therefore set out a three-year Corporate Strategy to take us through to 2019. At the heart of the Corporate Strategy are six strategic aims that focus our thinking about who needs money guidance and debt advice, and how it can be delivered to them in the most cost-effective manner.

Our six Corporate Strategy aims for the period 2016-2019

Succeeding through partnerships

- 1 To lead co-ordination of the many organisations that can contribute to improving financial capability through collective impact – creating a common understanding of problems and of ways to address them.

Earlier and wider access to debt advice

- 2 To support significantly more over-indebted people to access free, high-quality advice as early as possible to resolve their crises and build their long-term financial capability.

More people budgeting and saving

- 3 To help people most at risk from income shocks to manage their money well day to day and save more.

Improving access to guidance and advice

- 4 To enable more people to access the right information, advice or guidance when making financial decisions.

Working with financial services

- 5 To influence regulation, policy and industry so that financial products and services enhance financial capability, especially for the 12.6 million people in the 'squeezed' customer segment.¹

Widening and improving financial education

- 6 To improve the ability of a generation of children and young people to manage their money and take good financial decisions.

1. For more information about our segmentation model, see page 12.

The inputs to our strategic thinking

We arrived at these aims by taking into account multiple drivers:

- the direction and remit given by statute for the Money Advice Service
- the needs of the people we serve, through the lens of a customer segmentation model
- the opportunities we have to work with and through partners, and the collective vision of the Financial Capability Strategy for the UK (we will sometimes call this 'the UK Strategy' for brevity)
- the recent Independent Review of our service
- a gap analysis that arises from looking at the financial behaviours of different customer segments, and current provision to help them.

Inputs to our thinking: our statutory basis

The Money Advice Service was established by law with three core statutory obligations:

- to enhance the understanding of members of the public about financial matters
- to enhance the ability of members of the public to manage their own money²
- to improve the quality, availability and consistency of debt advice across the UK.³

We have planned our Corporate Strategy on the basis that these statutory responsibilities remain unchanged. However, at the time of publishing this draft plan the Government is considering the future of public financial guidance. This process includes consideration of our statutory basis. The Government's consultation closed on 22 December 2015 and we anticipate that the Government will bring forward proposals in March 2016.⁴

We believe, and have fed back to HM Treasury, that the statutory footing for public financial guidance could be enhanced to improve the efficiency and effectiveness of delivery, and its impact and relevance to individual people's lives. In particular, we have stated that if money guidance and pension guidance were more closely linked, there would be scope to deliver a more coherent, integrated service that has a greater impact on people's ability to manage the complexities of budgeting and savings, and the choices they face as they approach retirement. However, we would see such a development as an enhancement of our aims and Corporate Strategy, not a prerequisite for taking them forward.

2. Both of these frame the levy raised to fund money guidance.

3. This frames the levy that funds debt advice.

4. Aim 4 of our Corporate Strategy predated the Guidance Review, but its relevance to the Review will be obvious.

Inputs to our thinking: the people we serve

Our remit sets no limit on whom we should serve, but our resources do not extend to serving all 50 million adults in the UK; nor do all need our help. Some have no need, and others are already being served by other organisations.

Our plan is therefore to focus our efforts and funding on the people who both need our help the most and can benefit most from what we offer.

We have to strike a balance between three competing categories of need:

- helping people who are already in severe financial difficulty (the paramount aim of our debt advice work)
- carrying out preventative work to ensure adults, children and young people have the ability to avoid severe financial problems in the first place
- helping people who don't have financial problems, but who could be making more of their money if they took better decisions.

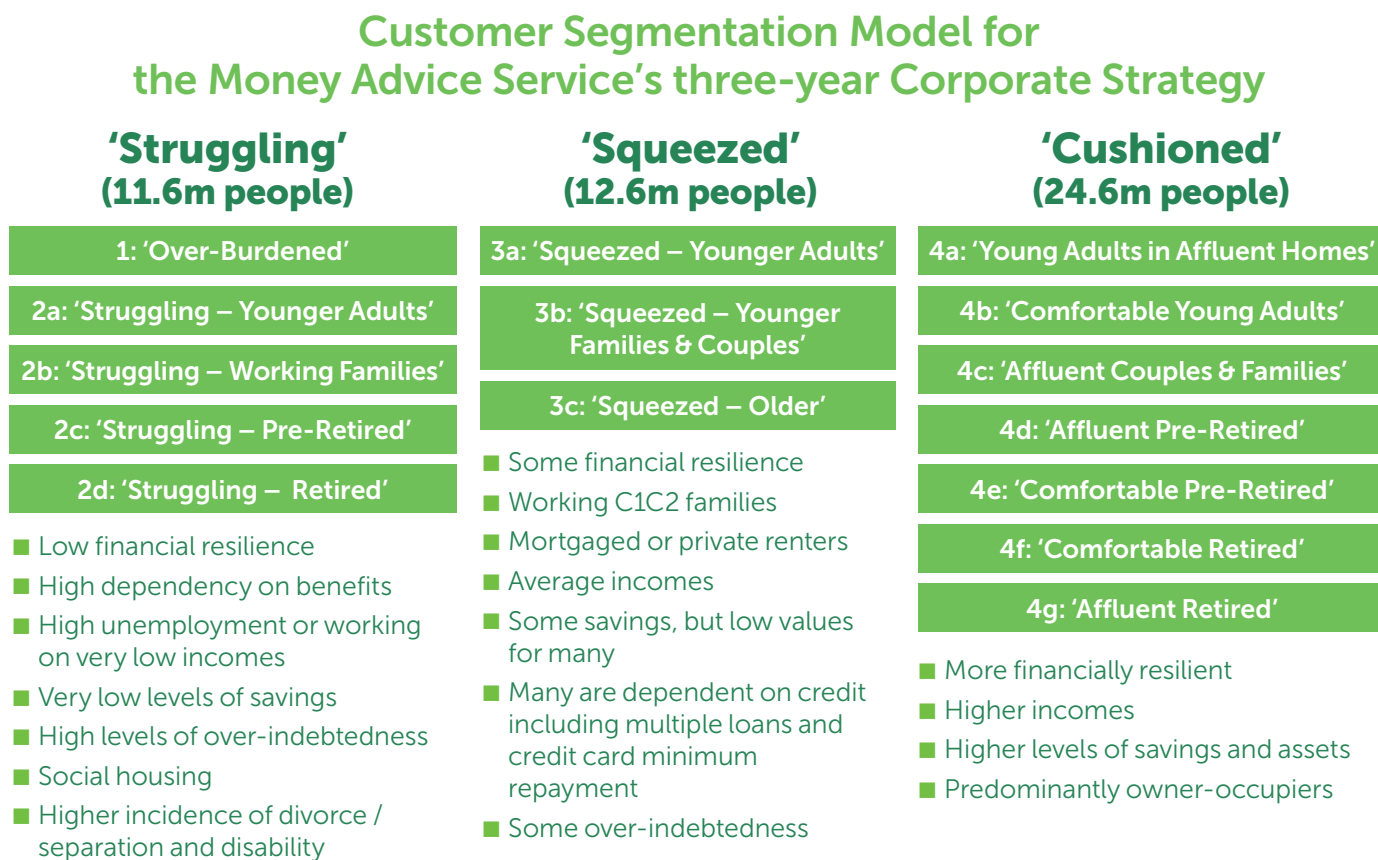
To help us decide where to focus our efforts, we developed a segmentation model for the adult population of the UK, which divides the population according to their levels of financial resilience.

'Financial resilience' in this model is essentially a composite measure of the relationship between income, savings, insurance and protection products, alongside skills, knowledge and attitudes. We use the model to ask: *'If this individual received a financial shock, how quickly might that turn into severe financial difficulty?'*

The data fed into the model came from CACI and other sources such as the 2015 Financial Capability Survey,⁵ meaning that it was based on very up-to-date information about the financial circumstances of tens of millions of people over the age of 18. There are three main segments and 15 sub-segments within the model, as shown by figure 1 on the following page.

5. The main data sources were GfK's Financial Research Survey and CACI's Ocean database; we added data from the Financial Capability Survey completed in 2015.

Figure 1: Overview of our customer segmentation model



Note 1: children and young people addressed separately from this segmentation

Note 2: the total segment sizes are slightly lower than the total of the adult population. This is due to a small number of respondents from the Financial Capability Survey whom we could not allocate to an exact segment

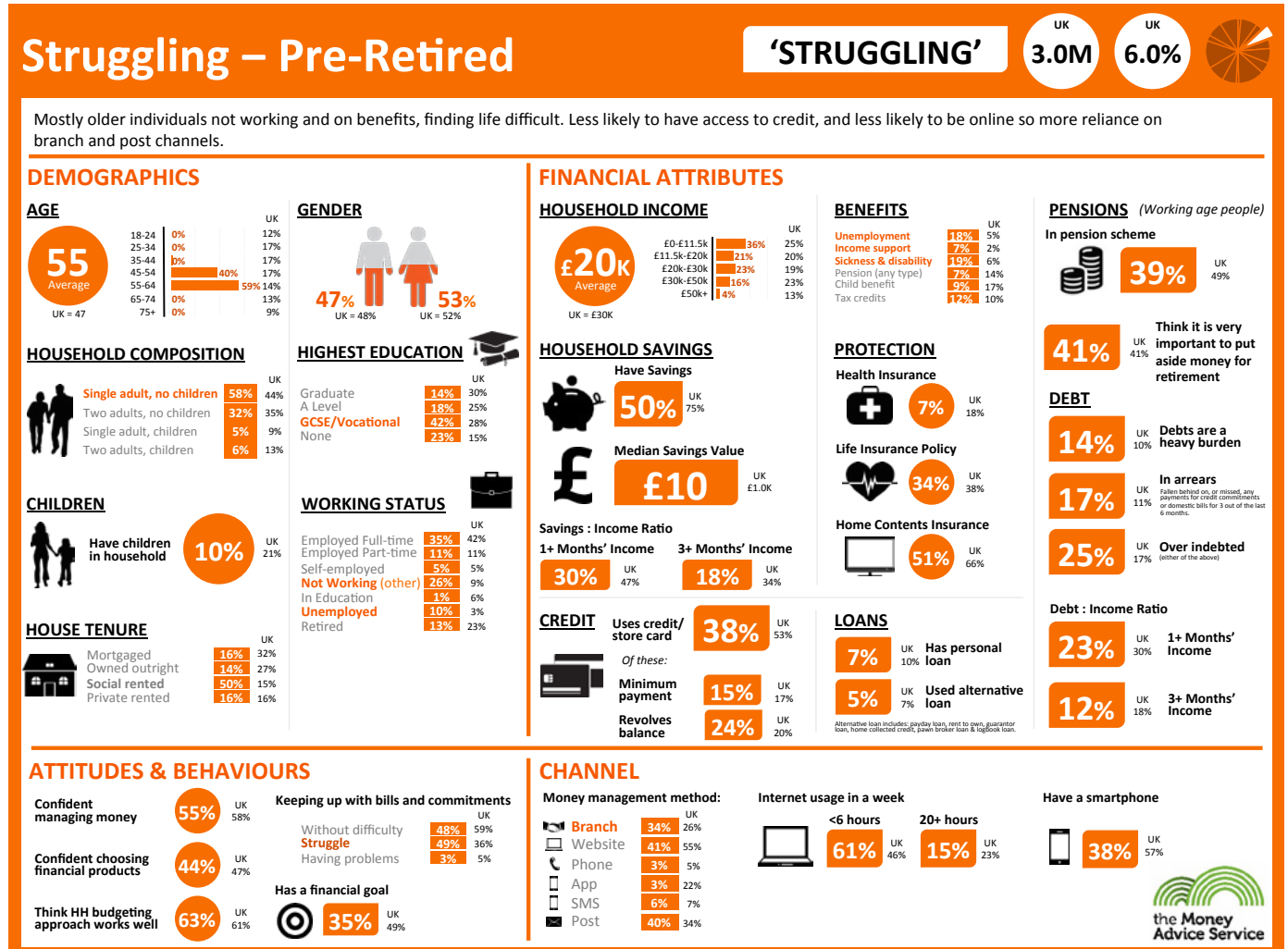
The **'struggling'** segment comprises 11.6 million adults of all ages who have low incomes and a high susceptibility to financial shocks. We have given this segment the name of 'struggling' to reflect the very tight fit between the income they receive and their essential household expenditures – but like all such labels, it is a shorthand, with its limitations. Our job as we use the segmentation will be to understand diversity within each segment so that we can address people's needs in a relevant and targeted way.

Figure 2 on the next page illustrates how the detailed data we hold within our segmentation model can help to identify these varying needs.

Typically people in this segment receive state benefits (and more will be unemployed than in any other segments); live in social housing; have lower levels of education; and have low levels of savings. More of the single and separated inhabit these segments than the others. They are among the more vulnerable people in society. More than any other segments, they are likely to need the debt advice we fund through our partners. However:

- a significant number of people in this group are skilled at household budgeting (their income and expenditure almost match, so the pressure to budget well is considerable)
- although imperfect and fragmentary, a financial and wider safety net exists to help in case difficulty strikes – in the form of cash benefits, social housing, and a wide range of public and voluntary sector organisations.

Figure 2: As an example of the data we hold within our segmentation model, 'struggling' segment 2c, pre-retired, shows the challenges experienced by some older people in this segment

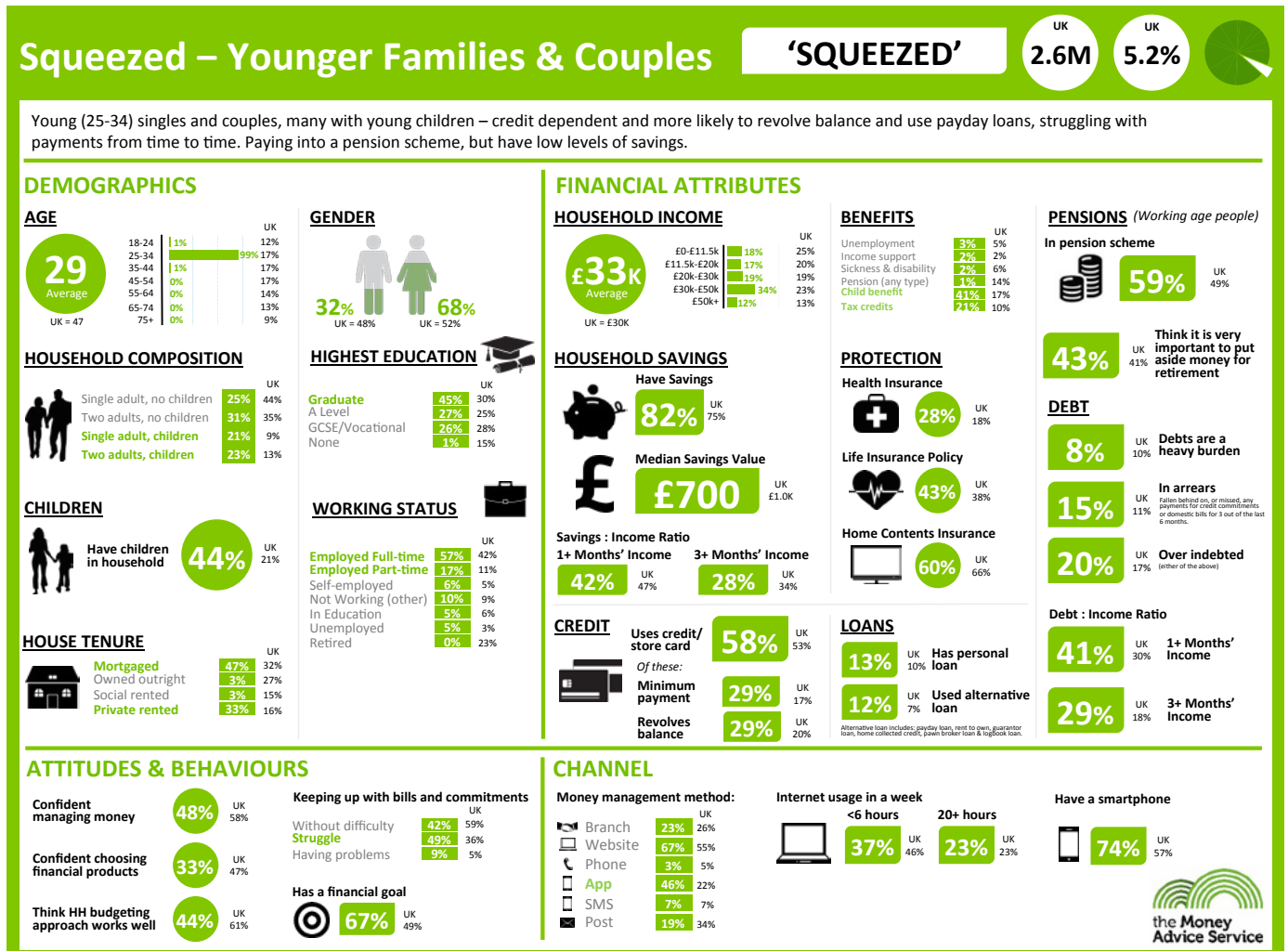


The 'squeezed' segment is 12.6 million adults who are typically in mid-life; working; in a marriage/relationship; and have children. We have given this segment the name of 'squeezed' to reflect the financial pressures and financial volatility they told us they feel. They typically live in rented or mortgaged accommodation, so they experience the commercial pressures of rent rises and interest rate increases. And by and large people in this segment have strikingly low levels of savings: more than half have less than £500 in the bank. Given their high commitments, this segment is therefore acutely vulnerable to income shocks. However:

- They have higher levels of education than the 'struggling' segment. Because of their better levels of literacy and numeracy, they are likely to find it easier to consume, and act on, help with money management.
- Because of their children and family, they are likely to have the need and the motivation to make their future more secure and take advantage of financial freedoms, even if they don't know how and feel they lack the time to make it happen.

Figure 3 on the next page illustrates the particular challenges faced by 'younger families and couples' within this segment.

Figure 3: The 'squeezed' customer segment 'Younger families & couples' shows the challenges faced by around 2.8 million working families



The 'cushioned' segment is the remainder of the adult population. This is 24.6 million people of all ages. We have mapped sub-segments with some differences between them (varying between 'comfortable' and 'affluent'), but broadly this group is cohesive. We have named this segment 'cushioned' because their defining characteristic is typically the amount of savings they have, which can act as a buffer if they experience a financial shock.

By and large they are likely to have higher levels of control over their money too; but not universally so. With this group, there are still considerable challenges with helping those who find themselves in crisis debt. But this group is clearly more financially resilient. It has significant financial information needs, as it is a more active consumer of financial products and services than the other two groups we have identified.

Our segmentation model was designed to help us think about the characteristics and needs of adults. There is a very different set of issues facing **children and young people** and it would not have been appropriate to try to capture these needs through the same model. Our thinking about children and young people is shaped by the evidence that adult financial capability is shaped throughout childhood and

adolescence. Money habits begin with self-control, and this can (and should) be developed from the age of 3 upwards. Over the ten-year lifespan of the UK Strategy, we want to see all children receiving a good financial education, and whilst it recognises that there are some young people in more challenging circumstances, we do not propose to segment the population of children and young people according to higher or lower levels of need until we understand their needs at a comparable level of detail. Following the delivery of a national survey into the financial capability of 4- to 17-year-olds we will consider in future years whether segmentation is appropriate and who is best to lead on work with more vulnerable groups.

We do however think that **young adults** – those have left school and are between the ages of 16 and 24 – need special consideration as a group. We and our partners in financial services, Government and the advice sector need to ensure that young adults at the point of transitioning to financial independence get the additional support they need so that their first major financial decisions have a positive impact on their life. We also see the moment of entering the workplace, including starting an apprenticeship (following a period in college, at university or on welfare benefits) as a critical opportunity to help young adults develop the habits that will set them on course for a successful future.

By the same token, **people in later life** will have distinct needs for financial capability. While some older people in retirement are relatively well placed for financial security, a majority have limited financial means and a significant minority have incomes below the poverty line. Most older people's resources are more or less fixed, making them particularly vulnerable to financial shocks caused by events such as bereavement, or the emergence of need for additional support or care to live independently. In later life deteriorating physical health and cognitive decline can also present financial capability challenges. Pension freedoms have given new retirees greater responsibility for actively managing their pension savings. This increased responsibility makes it even more important that older people can confidently consider and plan ahead for the entirety of their retirement and future spending needs.

All of the groups above will be served by the Money Advice Service. But we will serve different needs in each group, using different arrangements and channels, and – where applicable – partners, to do so. These are set out in each of our six aims (page 18 onwards).

Inputs to our thinking: the Financial Capability Strategy for the UK

Because money is a complex matter touching many parts of people's lives, and because people by and large prefer to think less about money itself and more about what it can do for them, none of our statutory obligations can be fulfilled without working alongside a very wide range of partners. Indeed most advanced economies, including the UK, have recognised that there is a need for a pro-consumer alliance of interests around money management, one that goes beyond the strict confines of regulation.

Over the last two years, the Money Advice Service has worked with more than 50 of the leading organisations relevant to money management and debt. Together we have analysed the fundamental consumer challenges, and set out a ten-year strategy – the Financial Capability Strategy for the UK. This was launched in October 2015.

The Financial Capability Strategy for the UK reflects the ambitions of a wide coalition of public, private and voluntary sector organisations to improve money management. It sets out the problems different bodies will work on, the evidence and evaluation they will gather, and the actions and programmes they will put into place to improve people's ability to deal with money.

The Money Advice Service is just one of the bodies involved in the UK Strategy, but we have three special roles:

- First, we will be the 'home' for the UK Strategy. We will provide the secretariat, governance and knowledge base to make sure the UK Strategy can progress and succeed.
- Second, we will provide thought leadership. We will commission and supply to the UK Strategy Steering Groups the customer evidence they need to make decisions, and will provide a public voice in policy debates and national conversations about money.
- Third, our statutory obligations and funding mean that we can address particularly important and challenging gaps not filled by others – and at scale.

Inputs to our thinking: the Independent Review

Christine Farnish delivered an Independent Review of our Service to HM Treasury in March 2015. We formed an Independent Panel of experts to help us consider in particular her recommendations about money guidance. This proposed some new principles for how we should run our service. We would like to take this opportunity to thank the panel members for their enormously helpful input, which included challenging but constructive debate. The box below gives detail about how we worked with the Independent Panel on the key topic of gap filling. An Annex, beginning at page 64, gives the full details of how we responded to the Independent Review.

The Independent Panel and the Independent Review

When the Independent Review was published in March 2015, the Money Advice Service accepted 19 of the 25 recommendations it made. We asked an Independent Panel of experts to help us consider the remaining six recommendations as we felt that we would need help and support to turn them from recommendations to implementation, and further help refining the evidence about the true consumer needs they implied.

The Independent Panel comprised: Clinton Askew, FCA Smaller Business Practitioner Panel; Philip Brown, LV=; Professor Sharon Collard, Open University; Joanna Elson, Money Advice Trust; John Godfrey, Legal & General; Martin Lewis, Moneysavingexpert.com; Sue Lewis, Financial Services Consumer Panel; Kirsty Mackey, Barclays; Michael Mercieca, Young Enterprise; Otto Thoresen, NEST. Jonathan Douglas from our own Board chaired the panel.

The panel met three times and considered a range of consumer evidence, options and the broader strategic drivers around money guidance.

The central task for the Money Advice Service and the Panel was to agree a suitable analytical framework to respond to the recommendation that the Money Advice Service should direct its money guidance funding only at gaps. We all agreed this was right; but the challenge was to narrow down the gaps in a way that was as objective as possible and above all considered the true needs of consumers.

With the panel's help, we looked at data from 5,000 people, through the lens of the financial capability behaviours prioritised by our partners in the UK Strategy. This gave us a view of consumer need and possible detriment. We then mapped provision in the marketplace against the key areas of need.

Where good provision already exists, the Money Advice Service should not duplicate (although it may influence and support). We identified some key areas where provision was low or absent. We looked at each of these in turn with the panel to confirm that the gaps were indeed the right ones for us to focus on.

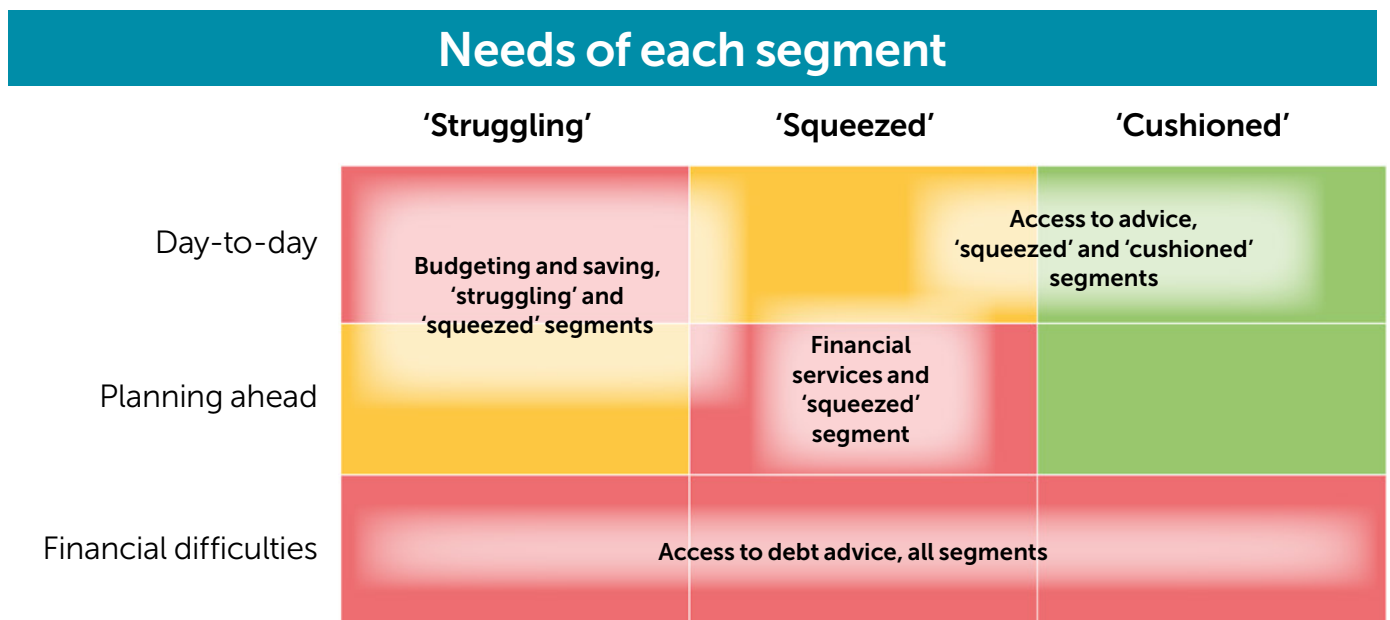
The gaps we have identified

Having established segments with clear characteristics, we then used the Financial Capability Survey for the UK, which was completed in June 2015 with more than 5,000 people, to work out where the most important needs were for each segment.

The partners in the UK Strategy had helped us prioritise financial actions and behaviours into three key domains: managing money well day to day; planning ahead and dealing with life events; and dealing with financial difficulties.

We analysed consumer behaviours within the segments and across these three domains, considering how much people might stand to lose if not displaying positive financial capability behaviours.

Figure 4: A simplified summary of where we mapped the key needs of each segment that are not being addressed by impactful provision at scale



Key

- There is a high-priority gap for the Money Advice Service to fill
- There is a lower-priority gap
- Partial or no gap identified

This approach has led us to define the Corporate Strategy aims explained below. Aim 1 concerns the overall system of money information, advice and guidance. Aims 2-5 reflect the needs and gaps that we identified when considering the adult population. Aim 6 is about the next generation, as we support children and young people.

Aim 1: succeeding through partners

Our first aim is for the Money Advice Service to support partners in the Financial Capability Strategy for the UK to pursue their common goals.

As chapter 1 of this plan sets out, the Money Advice Service is much more than a secretariat. Our partners have asked that we supply deep customer and market insight; create effective communications between all parties about key priorities and about 'what works'; pursue experiments where particularly difficult problems need solving; and act as a 'matchmaker' for partnerships between organisations that can deliver joint projects to greater effect.

The governance structure for the UK Strategy is comprehensive, with a Financial Capability Board and a number of expert Steering Groups. In the first year of our three-year Corporate Strategy, we will focus on creating (and ensuring the effectiveness of) relationships, mechanisms and communications. These will all be needed to drive forward evidence gathering, deliberation, decision-making and action. We also intend to spend at least £2.9m working with external organisations to generate evidence of 'what works' through pilots, testing and learning.

Over the remainder of the three-year period, we will want to demonstrate and highlight substantial change taking place among targeted groups of people. But we also need to prove that participation in the UK Strategy will create ongoing benefits for partner organisations themselves, as well as for consumers and for the Money Advice Service.

Aim 1: Succeeding through partnerships

The first aim of our three-year Corporate Strategy is therefore: **to lead co-ordination of the many organisations that can contribute to improving financial capability through collective impact – creating a common understanding of problems and of ways to address them.**

For more information on how we plan to carry out this aim in 2016/17, see chapter 1 of this Business Plan, and chapters 9, 10 and 11 for our work in Northern Ireland, Scotland and Wales.

Aim 2: earlier and wider access to debt advice

Across people in all segments, it was clear from the Financial Capability Survey that they urgently need support when they get into financial difficulty. Although the proportion of over-indebted consumers within each segment is different, their attitudes towards too much debt do not differ nearly so much.

There are 8.2 million people whose debts are a heavy burden and/or have missed paying three bills in the last six months. Yet only 17% of those people seek any form of help. Given that free debt advice is available and effective, this is clearly a situation we should address. Our role unites preventative work with debt advice, and this means that we are in a very good position to build long-term financial capability for all clients receiving advice through our debt advice funding. Our new programme of work particularly takes up recommendation A7 of the Independent Review, that we should combine offline money guidance and debt advice, both by improving early intervention and by building people's financial capability during and after the receipt of debt advice.

Aim 2: earlier and wider access to debt advice

The second aim of our three-year Corporate Strategy is therefore: **to support significantly more over-indebted people to access free, high-quality advice as early as possible to resolve their crises and build their long-term financial capability.**

For more information on how we plan to carry out this aim in 2016/17, see chapter 2 of this Business Plan, and chapters 9, 10 and 11 for our work in Northern Ireland, Scotland and Wales.

Aim 3: more people budgeting and saving

The next notable need that we identified was clustered around budgeting and saving behaviours in the 'struggling' and 'squeezed' segments. The segments display different needs:

- **Budgeting:** people in the 'struggling' segment are more likely (57%) to say that they have a household budgeting system that they feel works well, when compared with those in the 'squeezed' segment (51%).
- **Saving regularly:** people in the 'squeezed' segment are more likely (63%) to save every or most months, when compared with those in the 'struggling' segment (43%).
- **Savings 'buffer':** people in the 'struggling' segment (19%) are less likely to have three months' income or more in savings; but just 25% of people in the 'squeezed' segment (for whom it should be both more achievable and desirable) have such a savings buffer.

From these data we conclude there is a pressing need to support people in both segments to manage their money better and to begin a savings habit where they can. We will focus on raising budgeting capabilities across both segments, and with focused messages relevant to segment and circumstances, look to trial different approaches to supporting people to save. Budgeting is the enabler that can encourage some people in the 'struggling' segment to begin a savings habit (especially when it is possible to combine it with income maximisation), and more people in the 'squeezed' segment to hold three months' income or more in savings.

Aim 3: more people budgeting and saving

The third aim of our three-year Corporate Strategy is therefore: **to help people most at risk from income shocks to manage their money well day to day and save more.**

For more information on how we plan to carry out this aim in 2016/17, see chapters 3 and 5 of this Business Plan, and chapters 9, 10 and 11 for our work in Northern Ireland, Scotland and Wales.

Aim 4: improving access to guidance and advice

Access to good, impartial information about financial products is an essential counterpart to the freedom and choice people enjoy. During our discussions with the Independent Panel and our UK Strategy partners we debated information needs about financial products (and the 'advice gap' more generally). The lowest levels of confidence in choosing financial products are to be found among people in segments 1-3; but those people are less likely to be consuming a wide range of complex products. We see segment 4 as a group of people that will always have more of a need for information to help them make important financial decisions, even if many in that group are already confident.

We see the future of our digital service as above all a gateway to the very best financial help available online (whatever the provider, but always favouring more impartial and comprehensive resources). Our conclusion has been that we should make our digital channels and an enhanced telephone service as relevant and attractive as possible to the 'squeezed' customer segment. This is because people in the 'squeezed' customer segment have lower levels of confidence than those in the 'cushioned' customer segment; are particularly disengaged from financial products and services; but have more reason and scope to consume them than those in the 'struggling' customer segment.

We also have seen that, because the internet is a particularly good medium for self-service, people who are actively searching will be able to find the information they need. Our website can therefore be available to everyone, and we expect it to continue to serve a significant minority of people in the 'cushioned' customer segment who lack confidence in choosing financial products and will need help to do so.

Aim 4: improving access to guidance and advice

The fourth aim of our three-year Corporate Strategy is therefore: **to enable more people to access the right information, advice or guidance when making financial decisions.**

For more information on how we plan to carry out this aim in 2016/17, see chapter 4 of this Business Plan, and chapters 9, 10 and 11 for our work in Northern Ireland, Scotland and Wales.

Aim 5: working with financial services

Our analysis, research and discussions with partners identified a particular issue for people in the 'squeezed' customer segment. These are 12.6 million people of mainly working age who are relatively disengaged from financial products and financial choices. Many of the people we spoke to from the financial services industry recognised that if we can build financial capability and an appetite to save among people in this segment of the population, as well as improving the lives of those people and of their families, there are commercial opportunities for the industry that will also grow in parallel.

We intend to work in partnership with the financial services industry, regulators, and policy makers to generate more such 'win-win' situations. We will also make our data and insights into consumer behaviour more readily available to these organisations.

A key focus will be on getting more opportunities to budget and save built into everyday financial products and services consumed by people in the 'squeezed' segment. These opportunities might be realised through packaging and messaging, or through automated features. Our opportunities to influence will arise not just through direct conversations with industry, but also by monitoring and influencing the changes that regulation and technology themselves are bringing to bear on financial products and services.

Aim 5: working with financial services

The fifth aim of our three-year Corporate Strategy is therefore: **to influence regulation, policy and industry so that financial products and services enhance financial capability, especially for the 12.6 million people in the 'squeezed' customer segment.**

For more information on how we plan to carry out this aim in 2016/17, see chapter 5 of this Business Plan, and chapters 9, 10 and 11 for our work in Northern Ireland, Scotland and Wales.

Aim 6: widening and improving financial education

Our final aim is concerned with children and young people (aged between 3 and 17/18), and represents a different category of need and challenge.

Each new generation represents a potential fresh start, with people growing up better equipped to make the most of the freedom and choices that exist within our financial system.

But evidence tells us that a high-quality financial education in schools (even though in itself a considerable challenge) is not sufficient to the task.

Financial education goes beyond the schools system. Children and young people need support and role models at home as well as at school; and help with the non-cognitive skills that we know impact financial behaviour later in life, such as self-control. Parents are the key to providing children with the opportunity to see, learn, and experience money management on a daily basis. Yet as cash disappears, traditional opportunities for parents to teach their children about money 'in the moment' are reducing.

A central part of our thinking in relation to this aim is about developing the evidence that good financial capability strengthens other skills prized by schools (and on which they are assessed). With the very large number of children involved, and the extreme pressures on curriculum time, our strategy will be centred on ensuring other players receive the evidence and providing them with motivation to act.

Aim 6: widening and improving financial education

The sixth aim of our three-year Corporate Strategy is therefore: **to improve the ability of a generation of children and young people to manage their money and take good financial decisions.**

For more information on how we plan to carry out this aim in 2016/17, see chapter 6 of this Business Plan, and chapters 9, 10 and 11 for our work in Northern Ireland, Scotland and Wales.

From aims to measurement

The aims are intended to be ambitious enough to generate momentum and alignment over a three-year period. To bring them to life, and to provide accountability, they require an updated set of key performance indicators. Previously the Money Advice Service largely measured its performance by the quality and reach of its direct delivery channels. To achieve our updated set of aims we will need to work much more with and through others. This presents obvious challenges for KPIs.

The ultimate measure of success is the financial behaviour of millions of people. Over the three-year period we intend to build towards prediction and measurement of our impact at scale. For our debt advice work, we already have such a set of scale and quality indicators in place. In other areas we do not.

Before we can achieve scale we need to pass through intermediate stages, or 'stepping stones'. We must create focused knowledge about consumer attitudes and behaviours (in relation to needs within segments); demonstrate what works to meet those needs; and co-ordinate and persuade partners to act. We have identified these critical-path stages so that we can be held accountable for them. In other areas, where the quality and influence of our work will count more than anything else, we intend to capture that quality through 'proxy' measures.

Therefore for some of the aims in 2016/17 the measures will be commitments to particular milestones of progress that take us on the path towards impact at scale, and others will be ongoing measures of quality.

These measures are all set out in chapter 7 of this plan.

**2016/17
programmes of
work for each
strategic aim**

Chapter 1: succeeding through partnerships

The strategic aim

Aim 1: to lead co-ordination of the many organisations that can contribute to improving financial capability through collective impact – creating a common understanding of problems and of ways to address them.

The new Financial Capability Strategy for the UK (or UK Strategy), launched in October 2015, sets out a ten-year vision for how organisations across government, business and the not-for-profit sector need to work together to help millions of people in the UK manage their money better. At the core of the UK Strategy is a framework for building the evidence on what really works in improving financial capability. It establishes how organisations across these sectors can contribute to building the evidence on what works, through robust evaluation of the impact of activities designed to support financial capability, and sharing the results of that evaluation.

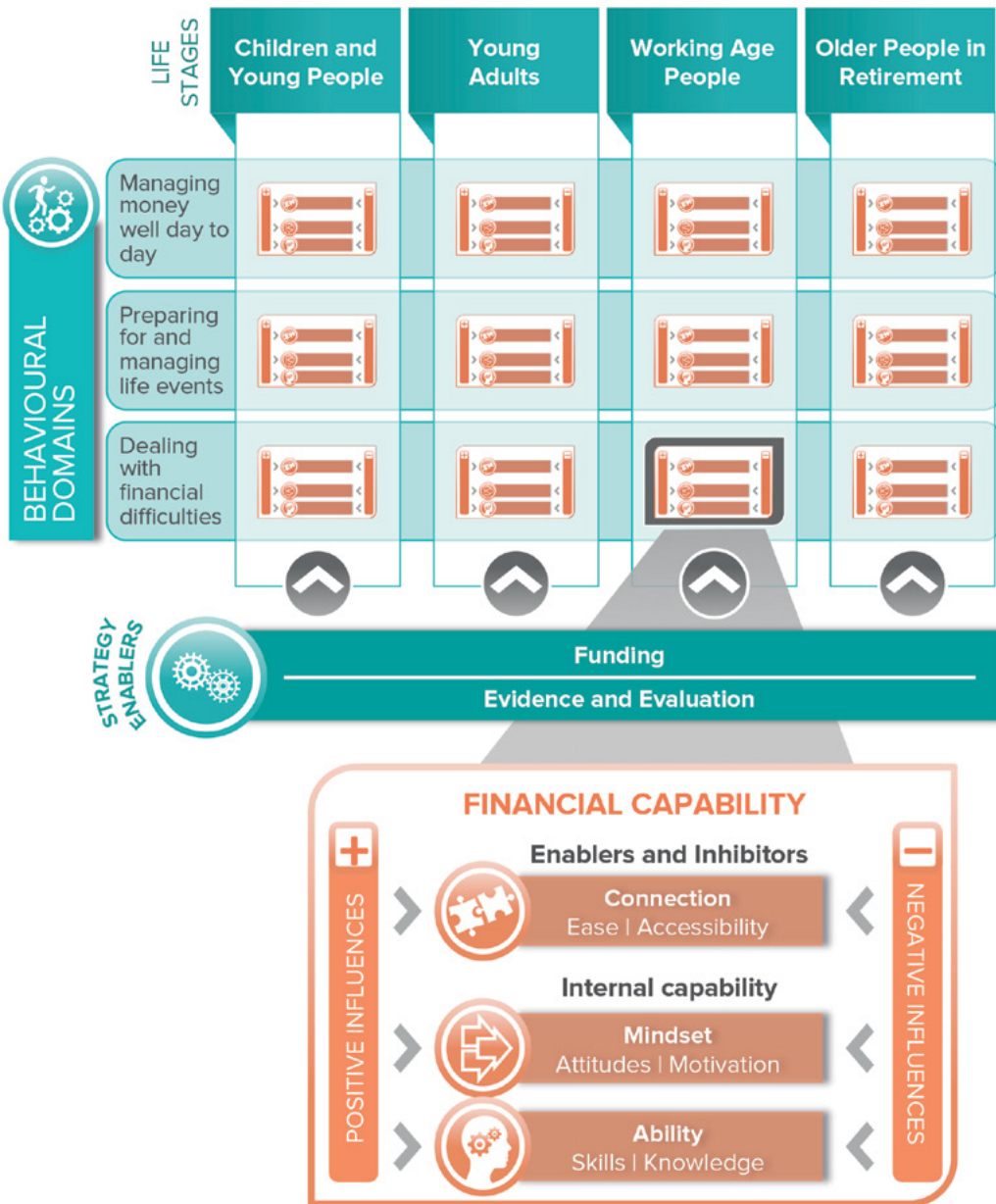
The UK Strategy is based on the concept of ‘collective impact’ – that by working together in a co-ordinated way towards shared goals, we can achieve much more than by working alone. The Money Advice Service will provide the vital element of co-ordination and strategic leadership across the sector to underpin effective implementation of the UK Strategy and maximise that collective impact. We will also continue to add to the evidence base and generate insight into consumer need and how best to meet it, through ongoing research and analysis. We expect to spend at least £2.9m working with external organisations building the evidence base in 2016/17.

The UK Strategy identifies three ‘behavioural domains’ (‘Managing money well day to day’; ‘Preparing for and managing life events’; and ‘Dealing with financial difficulties’) – and four life-stages (Children & Young People; Young Adults; Working-Age People; and Older People in Retirement) where activity will be focused. See figure 5 on the next page for the framework that explains this.

Many of the workstreams identified in subsequent sections of this plan focus specifically on issues relating to particular groups (although they may also have a wider application). This is in part a consequence of the customer segmentation outlined in the preceding Corporate Strategy section, and our conclusions about where the Money Advice Service can make the most difference or has the biggest role to play directly. It is important to note, however, that our role in delivering the UK Strategy extends to all of these domains and age-groups, and we will continue to work closely with partners and through the relevant governance mechanisms (see below) to drive forward the financial capability agenda across the population.

The Financial Capability Strategy for the UK underpins everything else we do. Its evidence and focal points enable us to be targeted, focused and efficient, and to add value across each of the other strategic aims. This chapter therefore describes its overarching mechanisms, and some of the UK Strategy initiatives that fall outside the other five aims set out in subsequent chapters.

Figure 5 – The Financial Capability Strategy Framework



The framework divides the UK population into broad life-stages (columns) and clusters of key financial behaviours (rows)

The framework describes a financial capability model that can be used to diagnose problems and design provision relevant to each life-stage group and each cluster of key financial behaviours. Ease of connection, mindset and ability are the three critical components of financial capability.

Priorities in year one

In 2016/17 our focus will be on following through the momentum generated by the launch of the UK Strategy, building more – and more effective – partnerships across the sector; embedding strong governance and oversight processes; and gathering a strong base of evidence and analysis to inform the development of projects and initiatives aimed at boosting financial capability across the whole of the UK population:

- We will focus on **establishing and supporting governance mechanisms** which will in turn provide guidance and leadership to the full stakeholder community on prioritising actions for each UK Strategy theme.
- We will work with research experts and the Financial Capability Board to create a robust and credible set of **composite measures of financial capability**, which can be used to measure progress in driving up financial capability over the ten-year lifetime of the UK Strategy.
- We will develop, and promote widespread use of, a full set of tools – such as **the Outcome Frameworks and an Evaluation Toolkit** – to help organisations build robust evaluation of impact into actions aimed at supporting financial capability, including a new outcomes framework specifically focused on older people in retirement. We will encourage many organisations to commit to applying robust evaluation and sharing the results, through commitment to the 'IMPACT Principles'.⁶
- We will generate matched funding for sector-leading, innovative and highly impactful initiatives focused on maximising the benefit to segments most in need of support. The Money Advice Service has already agreed to co-fund and work in partnership with a number of organisations, for example with Big Lottery Wales to run **parenting pilots in Wales**, to identify what methods are effective in helping parents to help their children develop strong financial capability; and with the Education Endowment Fund to trial different approaches to financial education in schools, and explore the links with wider educational attainment. These pilots will run through 2016 and we will share the results with stakeholders once evaluation has been completed. Through this – and further co-funding partnership projects – the Money Advice Service will **further contribute to building the evidence base about what works**.

Driving engagement and collective impact

The Money Advice Service has led the development of the new UK Strategy and we will continue to play a key role in its implementation. But the UK Strategy is above all a cross-sector response to the stubbornly low levels of financial capability in the UK. Its successful implementation rests on it securing widespread support and engagement to ensure that resources are focused on activities that align with the UK Strategy's aims and approach.

We will **act as champions for financial capability**, bringing stakeholders on board by promoting the benefits of a more financially capable population – not just for individuals and families, but also for financial services, the economy and society as a whole.

6. These have been developed to encourage organisations across the sector to make a public commitment to building the evidence base and ensuring that robust evidence is at the heart of everything they do. Signatories to the IMPACT principles will act as impact champions and will help to share and embed best practice across the sector. For more information see <http://www.fincap.org.uk/impact-principles>

The Money Advice Service will help to build the strategic alliances needed to reach large numbers of people and achieve real impact in driving up financial capability. We will seek to develop strong relationships with partners and stakeholders and, by **bringing organisations across multiple sectors together**, promote effective collaboration and co-ordination, including through joint initiatives.

The priorities and structures created by the UK Strategy will enable better co-ordination and a sharper focus on financial capability needs for specific age groups. For the Money Advice Service, this will enable us to work with expert organisations to influence interventions and services beyond our own priority segments. This includes, for instance a **shared agenda to build up effective financial capability interventions for older people in retirement**.

Our focus will be on **identifying and establishing connections with organisations and groups that can make the biggest contribution to improving financial capability** – in particular those that have frequent contact with people in their day-to-day lives, or at particular ‘touchpoints’.

Governance

The implementation of the UK Strategy will be overseen by the Financial Capability Board and by a number of Steering Groups, which will focus on implementation of key UK Strategy themes. These groups will ensure that work continues to be guided by stakeholders across sectors and that the organisations involved in implementing the UK Strategy have a strong voice in how activity is prioritised and organised.

The Financial Capability Board

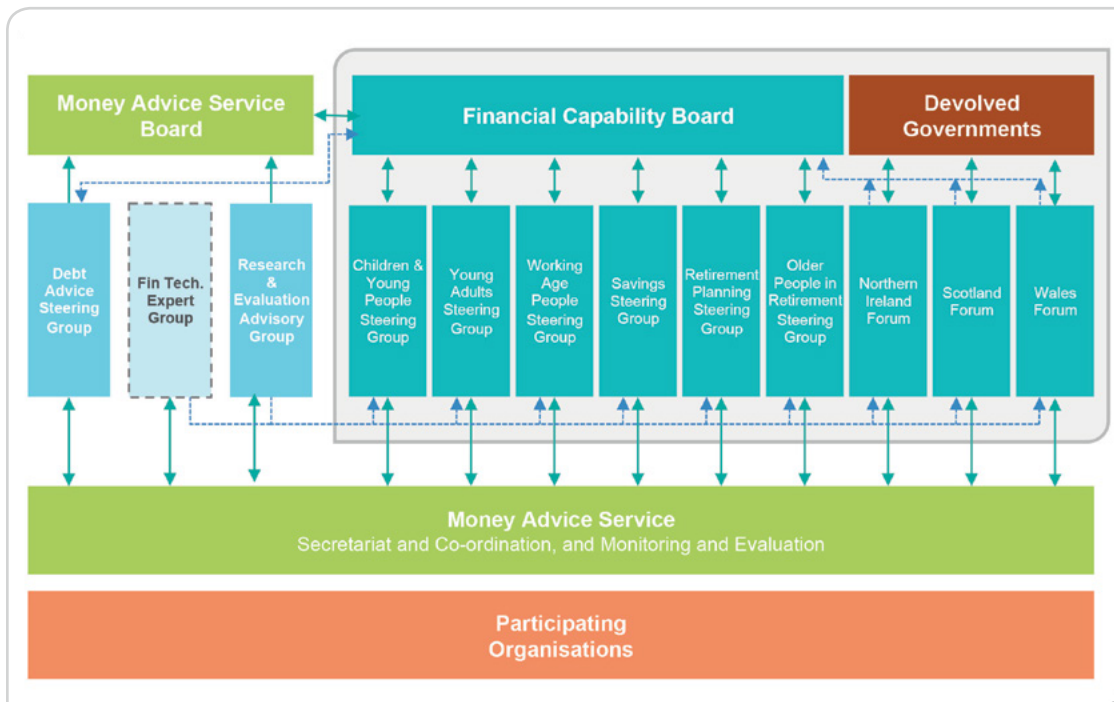
The Financial Capability Board will oversee the continuing development and implementation of the UK Strategy, seeking to influence others to support it. They – along with the Money Advice Service and Steering Groups – will guide and coordinate efforts aimed at driving up financial capability, and will champion the UK Strategy. The Board is made up of senior and influential figures from a range of sectors, and will be supported by the Money Advice Service.

Andy Briscoe Chairman Money Advice Service	Gwyneth Nurse [†] Director of Financial Services HM Treasury	Louise Macdonald CEO Young Scot	Sian Williams Head of National Services Toynbee Hall
Benny Higgins CEO Tesco Bank	Hector Sants Chair Archbishop’s Task Group	Otto Thoresen Chairman NEST	Sir Sherard Cowper-Coles Senior Adviser to the Group Chairman & Group Chief Executive HSBC
Caroline Rookes CEO Money Advice Service	Jackie Kerr * Business Regulation - Support Deti NI	Phil Loney CEO Royal London	Steve Pateman Executive Director, Head of UK Banking Santander
Christopher Woolard [†] Director of Strategy and Competition FCA	Jasper Berens Head of UK Funds JP Morgan	Professor Elaine Kempson Emeritus Professor University of Bristol	Tom Wright CEO AgeUK
Eleanor Marks Deputy Director of Communities Division Welsh Government	Lily Lapenna Founder & Co CEO MyBnk	Roger Sanders Managing Director Lifehouse Group plc	

[†]Observers *Until May 2016

The Money Advice Service will **participate directly in these groups and will also have an important role in supporting their work**. This will include providing high-quality advice and analysis to inform their decisions, and acting as a **secretariat** to the Board and the Steering Groups.

Figure 6 – The Financial Capability Strategy Governance & Delivery Framework



Evidence and evaluation

In order to drive 'collective impact' it is important that initiatives are rigorously evaluated for their impact on financial capability so that researchers, prospective funders and those involved in delivering financial capability initiatives collectively build up a clear picture of what works. We also need to continue to refine our understanding of where people's need for support is greatest, where action can have the most impact in improving financial capability and the benefits that flow from it. This will include a **specific outcome framework for older people**, recognising that although older people come within the segmentation model described in our Corporate Strategy, they have distinct financial capability needs.

The Money Advice Service has developed an **Evidence Hub** to bring together evaluation and analysis of financial capability initiatives in the UK and worldwide. Initiatives are assessed for their effectiveness in improving financial capability, and also for the standard of evidence. We will continue to gather this evidence and share it directly with stakeholders and more widely through the Financial Capability website.⁷ Through our role in co-ordinating the UK Strategy, we will **encourage stakeholders to use robust and consistent evaluation techniques and to share the results of evaluation**. We will continue to **refine the Evaluation Toolkit** we have developed and work with organisations across all sectors so that these methods are applied as widely and effectively as possible.

Where they have been identified, we will explore the possibility of **co-funding initiatives to fill significant evidence gaps**. We will also continue to add to the evidence base through our own research and analysis, including targeted '**deep dive**' research focusing on specific groups or issues.

7. www.fincap.org.uk

Chapter 2: earlier and wider access to debt advice

The strategic aim

Aim 2: to support significantly more over-indebted people access free, high-quality advice as early as possible to resolve their crises and build their long-term financial capability.

The Money Advice Service is the largest funder of debt advice in England and Wales, and a significant funder of debt advice across the UK. We also have an important statutory responsibility to work across the sector – not just with the projects we fund directly – to improve the availability, quality and consistency of debt advice services.

In 2015/16 we are on course to meet our target of providing free debt advice to more than 370,000 people through our partners across the UK.⁸ **We are looking to increase this further to at least 425,000 in 2016/17.** We fund a significant volume of face-to-face debt advice, but a central element of our plan to increase supply will be to **fund additional telephone helpline capacity** within the sector.

As well as expanding provision through our own funded projects, our Quality Framework provides assurance that clients receive a high standard of advice. There are now 670 debt advice delivery organisations that hold one of our accredited quality standards and we will **further grow this number over 2016/17** to increase the number of over-indebted people that have access to advice accredited by the Money Advice Service.

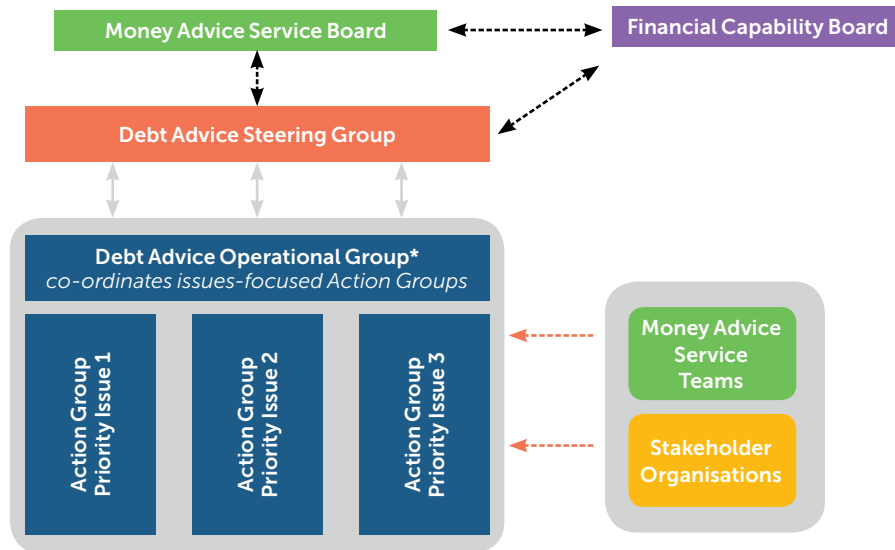
The Money Advice Service will continue to meet its role as a thought leader in the debt advice sector and in 2016 we will commission a series of **research projects** developed with stakeholders to understand:

- **the effect of debt advice over time** on over-indebted individuals
- **the social return on debt advice** – building on the research conducted by StepChange Debt Charity
- **the impact of macroeconomic factors** on levels of over-indebtedness.

In June 2015, a new Debt Advice Steering Group (DASG) met for the first time, in response to a recommendation of Christine Farnish's Independent Review of the Service. The DASG brings together influential stakeholders from banks, other creditor organisations and the advice sector. It will provide high-level oversight and co-ordination to our work across the sector to build on that success. We will **provide the secretariat support for DASG, along with a new Debt Advice Operational Group (DAOG), and a series of action groups**, as they work through the emerging priorities. This framework embodies the collaborative approach that we continue to take to deliver our statutory role.

8. In England and Wales our partners include: Citizens Advice; the Money Advice Trust; Talking Money; East Midlands Money Advice; Capitalise; and the Greater Merseyside Money Advice Partnership. We are also working with strategic funding partners – the Department of Enterprise, Trade and Investment (DETI) in Northern Ireland, and the Scottish Legal Aid Board (SLAB) in Scotland.

Figure 7 – How we are helping to co-ordinate the debt advice sector through communication and governance.



* Replaces Debt Advisory Forum

Key

- > Reporting lines
- .-.-> Members drawn from
- .-.-> Feeding into/two-way communication

Early intervention and engagement

Put simply, the earlier people seek advice on their financial problems, the easier it is for debt advice to help them. Yet currently less than one in five over-indebted people actively seek advice, and they usually leave it more than a year to do so. We need to change this. 2016/17 will see a major focus on early engagement.

Many people who could benefit from debt advice do not realise that they can get the help they need free of charge. To raise awareness we will **run a series of engagement pilots in conjunction with partners across the debt advice sector**, aimed at targeted groups of over-indebted people.

We will continue to work with a range of **creditor organisations** – such as financial services and utilities firms, and social landlords – to identify customers who are struggling to keep up with payments. We will also seek to work with **credit reference agencies**, using the information they hold to help people who are over-indebted but not seeking advice.

There are many reasons – practical and psychological – why people do not seek debt advice. Working with partners in the sector, we will **test a series of interventions** aimed at giving over-indebted people the support they need to break down those barriers and encourage them to access the help available.

We know that people in debt often feel isolated and embarrassed, and that they are fearful of being judged. To help combat these effects we plan to **pilot peer-to-peer support initiatives** to test improved awareness of the benefits of debt advice and increase engagement.

Making more high-quality advice available

High-quality debt advice works. In the projects we fund, more than three-quarters of clients succeed in reducing their debts within six months of receiving advice.

We want to see more over-indebted people getting the advice that will help them get their debts under control; and to continue to improve standards, both in our own funded services and by working with other funders and providers across the sector. Clients need to be confident of receiving a good service, wherever and however they choose to access advice.

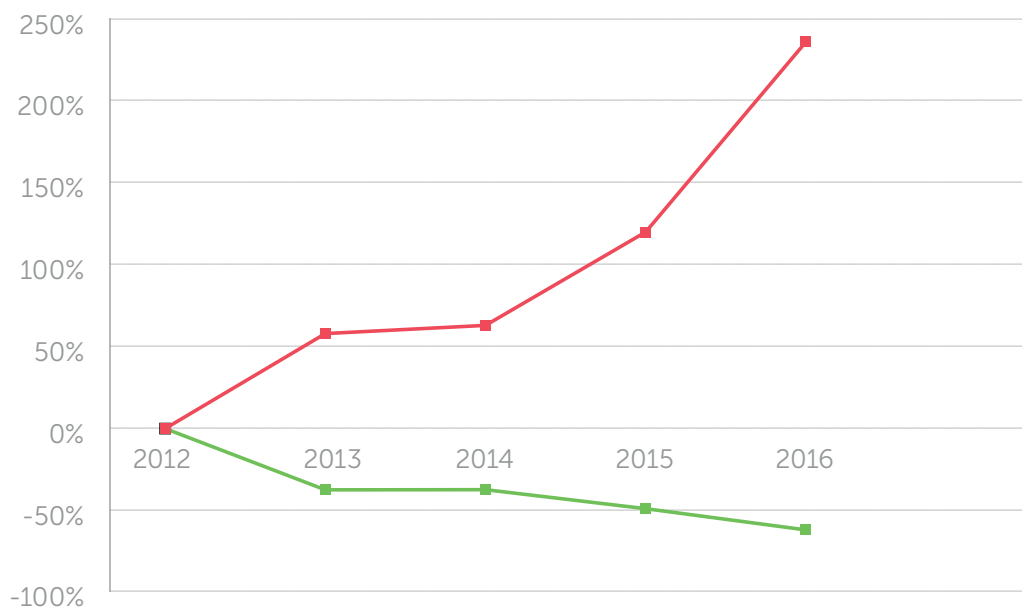
We will **progress the implementation of our peer review scheme**, and we will **spread best practice** by allowing advisers and providers to benefit from the insights of other experienced practitioners.

In conjunction with stakeholders – and in particular with StepChange Debt Charity and the Money Advice Trust – we have developed a **'Standard Financial Statement'** (SFS) to present in an agreed format all the necessary information about a client's income and expenditure. We will begin to roll this format out throughout 2016/17 with a view to its being in place across the sector the following year. We are also working with the Insolvency Service, the Financial Conduct Authority, and with the Accountant in Bankruptcy (AiB) in Scotland to embed the format in their statutory approach.

The insight from the first full year of our grant agreements in England and Wales has shaped the objectives we require to be met in **new grant agreements we will put in place in April 2016 for Northern Ireland**.

Since 2012 our debt advice funding has helped more people year on year and with our partners we have reduced the per client cost of that advice. In 2016/17 we will **help 55,000 more over-indebted people** access free debt advice through the projects we fund across the UK, compared to the number we funded in 2015/16.

Figure 8 – Debt advice sessions have risen, while the cost per session has fallen – all while maintaining a consistent quality standard.



Key

- Year-on-year cumulative % change in cost per client since 2012
- Year-on-year cumulative % change in clients helped (England + Wales) since 2012

Improving clients' financial resilience

We should always welcome people seeking help and support whenever they find themselves in financial difficulty. But by helping them take control of their finances, we can reduce the likelihood that they will need to return to debt advice repeatedly. We want to see more debt advice clients getting the support they need to build their long-term financial resilience.

We will work with our partners to identify opportunities to **'lock in' this support at specific stages of clients' debt advice journeys**. This could include exploring the possibility of clients having guidance geared towards improving their financial capability as a clear part of entering particular arrangements with creditors, building on the existing provision of the Debt Arrangement Scheme in Scotland.

We will explore the potential for **digital forums and other forms of peer-to-peer groups** for providing ongoing support to clients who have had debt advice. We will also conduct research to **understand better why some clients are more likely to return to debt advice** and whether there are patterns of behaviour that can help inform future work.

Chapter 3: more people budgeting and saving

The strategic aim

Aim 3: to help people most at risk from income shocks to manage their money well day to day and save more.

Our 2015 Financial Capability Survey has underlined a persistent and well-documented issue with people's attitude to saving: 30% of working-age adults have no savings at all and only 26% have the equivalent of three months' (post-tax) income.

Even a small amount of savings can provide a crucial buffer against financial shocks, helping people meet unexpected costs and avoid unnecessary or inappropriate use of credit. A regular savings habit can be a route to achieving financial goals and long-term financial security.

While most people understand in principle that it is desirable to save more, many feel they have no capacity to do so as they are already struggling to make ends meet. As a result, they do not respond well to messages that involve simply telling them they need to save more. To shift attitudes and change people's financial behaviour we need to show people how taking control of their finances can bring concrete benefits to their lives. Helping people get practical support to start budgeting more effectively and spending more wisely will enable them to create the 'headroom' in their household budgets to put money aside on a regular basis.

A rounded view of budgeting and saving includes consideration of the management and paying down of debt. For particular people at particular times, continuing debt may be helpful; others will be better off if they pay down debts rather than prioritise saving. We will link our messaging and learning against this aim with everything we do in the debt advice work described in chapter 2.

Although people in all life-stages and segments can benefit from more effective budgeting and saving, our strategic aim is primarily focused on working-age people who are most at risk of income shocks and who lack the financial resilience to withstand them. These people are found in the 'struggling' and 'squeezed' customer segments. Because of this focus on working-age people, a key activity in this aim will be exploring the workplace as a means by which we can engage people in budgeting and saving.

In the course of their lives people will pass a number of significant milestones. These 'life events' can have a major impact on people's finances. Buying a home or starting a family, for example, are hugely important landmarks in anyone's life. So too are negative events such as redundancy, long-term illness, separation and bereavement. The financial decisions people take during and immediately after these events will often have lasting implications. They also offer important opportunities to convey messages about better money management and to influence people's attitudes to budgeting and saving at a time when they are likely to be more receptive to such messages.

Using these opportunities to the best effect, and giving people the support they need, depends on reaching them at the right place and the right time to make a difference to their decisions. To do this means we need to work with and through the organisations people are in contact with during these life events so that messages get through to people when and where they need them.

A personalised money management programme

We will pilot a **new behaviour-change programme with the aim of encouraging regular savings habits**. The target audience for the pilot is working-age people who have less than £500 in savings, leaving them exposed to financial shocks.

At the heart of the programme is a personalised plan that will allow participants to set a savings goal, get help with taking actions and view their progress. The programme will be backed by a number of partners who will support participants to take action and help to aggregate small potential savings into something bigger.

The aim of the pilot is to test the impact of a personalised behaviour-change programme – developed with partners – that encourages regular savings by helping people to take control of their spending. We aim to launch the pilot in the first quarter of 2016/17 and will **conduct a thorough evaluation of its impact, publishing the results on our Evidence Hub**.

Making it easier to save

One of the aims of the UK Strategy is to shift long-term attitudes so that it is easier for consumers to budget effectively, and there are prompts and support available to start and grow a savings habit. Driving this sort of change is complex and there is no single route to success. We need to work with partners through a range of different channels to make it easier for people to save.

Working with partners in the financial services industry and more widely, we will conduct a range of **pilot initiatives to establish what mechanisms are effective in saving**. This will include **building partnerships with employers to explore the potential of workplace savings schemes**.

We will also lead work with partners across the financial services industry, regulators and others to explore and develop **'rules of thumb'** that can help guide people's approach to saving by providing relevant, easy reference points for people at different stages of their life.

Supporting Universal Credit claimants

The move to Universal Credit (UC) brings important changes for claimants. Many will have to manage transactions through a bank account for the first time and adapt to monthly (rather than weekly) payment and budgeting.

Alongside these significant challenges, the rollout of UC presents opportunities to test interventions aimed at improving people's financial resilience. By integrating interventions into wider services, more people are likely to be reached.

We will work closely with the Department for Work and Pensions (DWP) to develop **relevant and targeted personal budgeting support for people moving to UC**. This will include:

- helping claimants manage the transition to single, monthly payments through current accounts, including information around Basic Bank Accounts;
- guidance on keeping track of spending and prioritising bills, such as rent payments; and
- working with DWP and others on **embedding money management into the Youth Obligation** as this policy develops in time for April 2017 for young UC claimants.

We will continue to **refine this content to ensure it meets claimants' needs**.

Chapter 4: improving access to guidance and advice

The strategic aim

Aim 4: to enable more people to access the right information, guidance and advice when making financial decisions.

Millions of people each year need help to make good financial decisions. Making sure people get the help they need is central to the Money Advice Service's work. We intend to achieve this in two ways: by making sure more people can access advice in the right places, wherever they need to find it; and by using our own channels to more effectively signpost people to the best advice.

Understanding the guidance and advice landscape

It is important that people receive the right information, guidance or advice to meet their needs. With this in mind, we need a clear picture of the range of financial help available so that we can work to ensure gaps in provision are filled.

We also need to establish how well the help available is meeting people's needs, in terms of whether it is reaching the right people (and at the right time); the quality of the guidance offered and how far people are able to rely on it; and whether it is making a positive impact on people's financial decisions.

Building on the findings of the FCA/HM Treasury Financial Advice Market Review and HM Treasury's decisions on the future provision of public financial guidance – the results of which we expect to be published before the end of 2015/16 – we will undertake a **'mapping exercise' to establish where and how people are currently getting financial help, and assess where consumer needs are not being met.**

We will also continue to develop our thinking about how the demand for financial help may evolve following these regulatory and policy developments and how provision will need to change to meet that demand.

Building accurate, relevant guidance

We will continue to **develop and refine our tools and content** – in both digital and printed form – based on our analysis of consumer need and gaps in existing provision, and make them available through a wider range of external sources. Our focus will be on reaching people who are making important financial decisions and ensuring they are provided with financial help appropriate to their needs. We want to make our digital offering more relevant and accessible to people in the 'squeezed' customer segment.

We will **review our existing 'Financial Health Check' tool** and, if necessary, redesign it with a view to helping people – particularly those in the 'squeezed' customer segment – better understand their needs and access further financial help as required. We will also continue to explore ways help customers access regulated advice where appropriate.

In line with our duties under the Payment Accounts Regulations 2015 (implementing the EU Payment Accounts Directive), we will develop an **online tool to allow for easy comparison between the fees charged for a range of services by banks and other payment account providers**. We will also work with partners to **increase awareness of the availability of Basic Bank Accounts** among hard-to-reach groups, alongside our ongoing commitment to provide support to Universal Credit claimants (see chapter 3).

Working with and through others to reach more people

Building on our growing understanding of the landscape for financial help, we will create a **'gateway' service, accessible by telephone and online**, designed to establish what help an individual needs and to provide personal, targeted signposting so that they get the right help at the right time. To achieve this, we will seek to expand further the range of partners we work with. We will particularly want to work with partners that come into contact with people in the 'struggling' and 'squeezed' segments in their daily lives.

In 2016/17, we intend to make changes along the lines proposed in the Independent Review, consistent with our approach in 2015/16, but going still further. We plan to replace our face-to-face channel (from 30 September 2016) and:

- transfer a further £1.9m to our core debt advice funding, alongside increasing the debt advice sessions we run by a further 55,000 compared to 2015/16 figures
- develop an enhanced telephone service
- deliver a range of other initiatives to support people who would typically access face-to-face services.

We acknowledge that there is a small percentage of potentially vulnerable customers who would benefit from help with proactive money advice but who might not be reached via our telephone or digital services or through our enhanced and expanded debt advice support. This business plan contains two further initiatives to help them:

- We will invest funds to pilot interventions in partnership with third sector organisations already engaged in this area to understand how we can most effectively reach those most in need of face to face proactive money advice.
- We will invest funds into peer-led capacity building in the sector to improve both the quality and quantity of money advice delivered within the UK.

See the Annex, pages 66-67, for further information.

We will work closely with partners to ensure the help provided remains accurate and relevant both to people's needs and the way in which they choose to access it. This will include identifying **new opportunities to reach people through mobile applications, increased use of video content**, and 'mobile-friendly' content and designs.

We will **work with student money advisers in colleges and universities across the UK, and student advice websites**, to determine where gaps exist, and to ensure that their expertise is brought to bear in helping students to access the financial capability support that is available to them as the landscape for student funding evolves, notably in England as the grants system for lower-income students is replaced by loans in 2016.

With a similar approach to gap identification, we will **collaborate with online and offline youth advice agencies** that have a much greater natural reach and established professional practice for building the financial capability of young adults.

Chapter 5: working with financial services

The strategic aim

Aim 5: to influence regulation, policy and industry so that financial products and services enhance financial capability, especially for the 12.6 million people in the 'squeezed' customer segment.

People need to have better access to financial products and services that help them manage their money more effectively. Such help needs to be built in to their daily lives and their routine financial interactions. Financial regulation needs to take full account of the role of well-informed and financially capable consumers in driving better outcomes for all. We want to ensure that opportunities to improve financial capability are fully exploited. We want to focus help with budgeting and saving on those who are most at risk from the consequences of failing to do so.

Improved financial capability serves the interests not just of consumers, but of the financial services sector and the wider economy. We are committed to working with the industry to identify areas where consumers' interests – and their need for financial help and guidance – are aligned with the commercial imperatives under which firms operate. We have especially fruitful opportunities to do this when regulation or technology is already bringing about change in financial products or services.

To do so effectively – and to maximise the impact we have in the commercial and regulatory sphere – we will increase our expertise in and analysis of a constantly evolving commercial environment, and the ongoing regulatory developments that help to shape it.

Leveraging regulatory change to improve customer journeys

Changes to regulatory and public policy can bring with them new consumer needs and new opportunities to provide people with support and guidance. We will **work with regulators and policymakers, and with financial services firms** to maximise the budgeting and saving support built into customer journeys.

For example, we are taking an active role in the development of an **innovation strategy for the payment systems sector**, to ensure that financial capability and the scope for improved budgeting functionality, are fully reflected in future industry developments. We are also participating in industry-wide efforts to develop a **new standard for the creation of open banking application program interfaces (APIs)** to facilitate the creation of applications that enhance people's ability to manage their money effectively.

Influencing regulatory decisions – based on evidence – is an important part of the Money Advice Service's statutory function. We will look to make greater use of our data on consumer decision-making, and the issues on which people are seeking guidance, to **inform the decisions of the FCA and other regulators**.

We will also aim to **make our evidence more readily available to financial services firms** and others who may be in a position to use it to the benefit of consumers. The insight we can provide will be especially useful where regulatory changes are already in train. The implementation of the Payment Accounts Directive – and the resulting changes in the personal current account market – are an example of this.

We will also look for other opportunities to improve customer experience of products and services in line with the broader aims of the Financial Capability Strategy for the UK – for example, by supporting the FCA in its **'Smarter Consumer Communications'** initiative.

Building partnerships to foster innovation

We will continue to work with financial services firms and build partnerships across the sector to explore how we can provide innovative solutions to meet consumer need.

We will be an active participant encouraging the development of innovative tools that drive consumer engagement and allow people to manage their money better.

We will continue to be a leading participant, partnering with Government and industry, in the work to develop a **'Pension Finder' tool**. This will make it easier for people to trace and get information about their pension savings.

We are also working with the Tax-Incentivised Savings Association (TISA)'s 'Savings and Investment Policy Project' to explore the potential for a **'Digital Savings Passport'**.

We will also explore how innovation in complex markets such as financial services can be incentivised most effectively so that it benefits consumers. We will work towards **establishing formal partnerships with organisations that specialise in social innovation**, where we consider they offer the best prospect of influencing the development of products and services.

Chapter 6: widening and improving financial education

The strategic aim

Aim 6: to improve the ability of a generation of children and young people to manage their money and take good financial decisions.

It is clear that what people see, learn and experience during childhood and adolescence can have a profound effect on their money management as adults. Financial education can be seen as a vital preventative measure against people getting into financial difficulties later in life: by instilling good habits from the start we can significantly reduce people's likelihood of becoming over-indebted and instead help their money management flourish.

Financial education extends beyond schools and colleges, to learning in the home and the community. Money habits begin with self-control, and this can (and should) be developed from the age of 3 upwards. Evidence suggests parents are the primary influence as financial capability develops, particularly with respect to attitudes towards money and the noncognitive skills vital for long-term savings. But parents are hard to reach, so we will pursue multiple routes and approaches. Schools and colleges provide an opportunity to reach a large number of children and young people at scale, particularly at ages 17-18 – a prime time for learning money skills before the world of credit opens up.

We now have a clear view of what needs to be done to establish an evidence-based approach to financial education. Evaluations of the effectiveness of financial education in schools have so far been mixed, and busy schools need a compelling case for why and how they should deliver financial education, in the face of many other competing demands.

Our focus for 2016/17 will primarily be on building the evidence base to establish how best to go about building financial capability among children and young people, and examine the links between financial capability and other priorities for this age-group, including wider educational attainment.

We will also need to consider how successful approaches can be delivered at scale, and start work to consider specific needs of particularly vulnerable children and young people, such as care leavers. We will share this evidence widely with funders and providers of financial education to inform their spending decisions, and will start to take this analysis out to other potential funders to build the case for new initiatives, including exploring opportunities for using social investment to fund and scale well-evidenced interventions.

Understanding the long-term impact of financial education

In order to gain a better understanding of the impact of financial education, we will **conduct systematic reviews and statistical analysis of existing data**. We will build on our own UK-wide Financial Capability Survey by surveying 6,000 4- to 17-year-olds and their parents. This work will ensure we have a robust statistical evidence baseline and help us understand in greater depth the factors that impact financial capability.

We will conduct **detailed analysis using the 1970 British Cohort Study**⁹ to gain rich insight into the points at which different cognitive and non-cognitive skills start to make a long-term difference to adult financial behaviour, and which skills may be more important than others. This will enable the sector to tailor their interventions to include the skills that are most important at different ages, and also form the basis for calculating the social and economic benefit of financial education.

In 2015/16 we began **'Talk, Learn, Do', a major three-year parenting pilot** with Big Lottery Wales, the Welsh Government and Family Links Nurturing Programme. During 2016/17 we will expand this programme into schools and involve more local authorities. The pilot aims to understand the impact of helping parents to build financial education into their daily activities with their children. It will follow parents and their children two years after the intervention has taken place to understand the long-term impact.

We will also develop research to assess the long-term impact of interventions aimed at 16- and 17-year-olds, by **tracking their financial behaviour into adulthood**. In particular, we will seek to work with **credit ratings agencies** and others to examine the links between financial education and improved credit scores, and examine the link with levels of over-indebtedness in young adults.

Co-ordinating financial education in schools

This year, in response to a recommendation from Christine Farnish's Review, the Money Advice Service took on responsibility for co-ordinating financial education in schools. Following extensive consultation with the schools sector, we are prioritising understanding what is being delivered; identifying effective practice; and demonstrating the relationship between educational attainment and financial education – accompanied by communication to schools once there is robust evidence in place.

In August 2015, the Money Advice Service and the Education Endowment Fund (EEF) launched a **joint £700,000 fund to evaluate which existing schools interventions improve both students' financial capability and their educational attainment**. The awards will be announced in March 2016, and we will continue this work in 2016/17.

We will commission **new research to gain a better understanding of the effectiveness of financial education in schools**. We will work with the **All-Party Parliamentary Group on Financial Education for schools in England** and we will seek to establish similar projects for schools elsewhere in the UK, in partnership with the devolved governments and other stakeholders. The insights we gain from this research – including potential links between financial education and wider attainment – will be shared with government, schools and across the sector to inform decisions about future provision.

We will **work with Oxford University Press** to test different ways to integrate financial education more effectively in the maths curriculum, and provide teachers with the support they need.

9. The 1970 British Cohort Study (BCS70) follows the lives of more than 17,000 people born in England, Scotland and Wales in a single week of 1970. Over the course of cohort members' lives, the BCS70 has collected information on health, physical, educational and social development, and economic circumstances among other factors. The BCS70 is managed by CLS and funded by the [Economic and Social Research Council](#).

Helping others to increase their impact

During 2015/16 we have hosted a series of summits bringing together the main funders of financial education initiatives. In return for funders signing up to the IMPACT principles set out in the UK Strategy,¹⁰ the Money Advice Service will **provide ongoing support to funders** including:

- helping them to understand the steps needed to achieve their aims
- providing advice and guidance on designing and evaluating new or adapted interventions, based on a growing understanding of what works
- creating 'safe spaces' where funders can discuss issues and challenges confidentially.

Funders have requested we take a leadership role in monitoring and analysing existing provision in order to recommend priority delivery gaps. In 2016/17 we will begin to **collect data more systematically from funders and providers, and will share this analysis** through bespoke guidance for IMPACT signatories, the relevant UK Strategy Steering Groups and other channels. This may include a regular newsletter and conference for stakeholders to highlight research findings, discuss new ideas and disseminate knowledge.

We will continue a programme of work to **help not-for-profit providers build their internal evaluation capacity**. This support package will enable providers to measure more consistently the impact of their interventions and use this insight to improve the effectiveness of their provision.

Through developing relationships with the wider children and young people's sector we will **improve understanding of the unique financial education needs and barriers faced by particularly vulnerable children and young people**, so we can ensure interventions respond to these effectively.

Finally, we will work with providers, social investors and intermediaries to **investigate whether innovative models of funding, such as Social Impact Bonds**, could be used to fund and scale financial education interventions on a more sustainable basis.

10. See www.fincap.org.uk/impact-principles for further information.

Impact and budgets

Chapter 7: measuring our impact

Our ultimate goal is to impact the financial capability of many millions of people across the UK population. Our new strategy builds from evidence about what works, to propagating techniques through partners who touch consumers' everyday lives.

We have therefore divided our KPIs for year 1 of 3 into three different kinds:

- those that already measure **impact on consumers at scale (I)**
- those that represent key **stepping stones (S)** on the path towards impact on consumers at scale
- and ongoing proxy measures for **quality or influence (Q)**.

Aim	No.	Type	KPI	Comments
Aim 1: helping partners to succeed	1.1	S	For each of the 10 themes of the Financial Capability Strategy for the UK, we will agree priorities with the relevant Steering Group and establish an action plan with clear accountability, including the design and delivery of pilots.	The steering groups are designed to drive forward the collective impact priorities of the Financial Capability Strategy for the UK in specific areas. In order to achieve this KPI we will have to successfully run governance, provide the steering groups with evidence, and encourage partners to commit.
	1.2	S	We will maintain and expand the Evidence Hub, so that by Summer 2016 it will incorporate other types of evaluation and research – both qualitative and quantitative – as well as quantitative impact evaluation.	The Evidence Hub is the essential means for disseminating the insight and evidence generated in the above activities.
	1.3	Q	At least 30 organisations (funders/providers) will agree to use IMPACT Principles.	The IMPACT principles commit organisations to building and sharing evidence of what works. By ensuring a critical mass of organisations do this in 2016/17 we will provide a firm foundation for future financial capability interventions.
	1.4	S	At least 50 delivery projects will use the outcome frameworks or evaluation toolkits.	The outcome frameworks and evaluation toolkits give ways of measuring success in changing financial capability that are consistent and can be shared between organisations for mutual learning. By ensuring a critical mass of projects use these we can build up evidence on the Evidence Hub.

Aim	No.	Type	KPI	Comments
Aim 2: earlier and wider access to debt advice	2.1	I	At least 425,000 people will access our funded debt advice across the UK.	This will be a 15% increase on our 2015/16 numbers for debt advice funded sessions, compared to a 4% increase in our core funding for debt advice.
	2.2	Q	At least 90% of people accessing our funded debt advice across the UK will take action to deal with their debts.	This will ensure that we maintain quality and the impact for each customer at the same time as expanding reach.
	2.3	S	We will collect clear evidence of trigger points that can lead to over-indebtedness and agree methods to engage people with debt advice.	This an essential stepping stone towards further increasing early engagement, a key strategic aim.
	2.4	S	We will set a baseline for the current percentage of people whose financial capability is improved after receiving our funded debt advice, and propose a percentage increase.	The five-year ambition of the Debt Advice Steering Group is, by 2020, to double the number of people whose financial capability is improved after receiving debt advice. This is an essential stepping-stone towards that goal.
	2.5	S	Based on our understanding of the repeat rate for debt advice clients we will develop and identify an appropriate level and direction of change.	This builds on our 2015/16 commitments, and reflects the strategic aims we are working on with partners for debt advice.
	2.6	I	We will raise the proportion of people receiving debt advice (across the debt sector) from 17% to 21%.	This builds on our 2015/16 commitments, and reflects the strategic aims we are working on with partners for debt advice.

Aim	No.	Type	KPI	Comments
Aim 3: more people budgeting and saving	3.1	S	We will conduct tests of messages and/or pilot 'what works' trials, tailored for the 'struggling' and 'squeezed' segments, to encourage saving and budgeting appropriate to each segment.	We recognise that people in different life circumstances will respond to different messages; this KPI will ensure we have a tested approach for each segment.
	3.2	S	We will develop and agree rules of thumb for savings.	Rules of thumb can be used by the financial services industry, third sector or public sector providers alike to give people clear messages. If we agree them in 2016/17 they can be widely propagated in years to come.
	3.3	S	We will complete the Money Management Programme pilot and generate valid evaluation findings with results being fed into the Evidence Hub.	The Money Management Programme pilot involves multiple stakeholders and rigorous testing – it is the flagship intervention for budgeting and saving in 2016/17.
	3.4	S	We will successfully develop and deploy a budgeting tool for Universal Credit claimants.	Universal Credit will reach more than 11m people at full rollout. It is therefore essential that we develop, test and improve the tool in 2016/17.
Aim 4: improving access to advice	4.1	Q	At least 60% of our customers will have taken action (in full or in part) as a result of money guidance.	This will ensure that our digital, webchat and telephone channels are geared towards helping customers make the financial decisions they need to take.
	4.2	S	We will implement a 'gateway' approach to our website and telephone contact centre that directs more people to high quality money guidance.	This takes forward the direction set out in the Independent Review, recommendation A10.
	4.3	S	We will set a baseline for the extent to which people consider themselves able to access free or affordable advice to support financial decisions.	This will provide the evidence we need to set a target for improving access to advice in future years.

Aim	No.	Type	KPI	Comments
Aim 4: improving access to advice	4.4	I	We will maintain or exceed the number of contacts to our direct channels throughout 2016/17, compared to 2015/16 levels, while reducing marketing investment and remodelling the services.	We will be achieving this at the same time as reducing our marketing spend.
	4.5	Q	We will maintain customer satisfaction with our direct channels at the level of 88%.	During 2016/17 we will be making major changes to our direct channels. Therefore, we will maintain the customer satisfaction question 'Customers agreeing they would recommend the service to others'. We will review the measurement process during 2016/17.
Aim 5: working with financial services	5.1	S	Our new stakeholder survey will demonstrate increased credibility and improved relationships with financial services and regulatory stakeholders.	Building credible and relevant relationships with financial services stakeholders, including levy-payers, is the foundation for future work that influences products and services.
	5.2	Q	We will demonstrate that we have influenced regulatory, policy and product decisions based on sound evidence and analysis.	Our role is to bring unique evidence into the debate, and this KPI will ensure we both do that and show its impact.
Aim 6: widening and improving financial education	6.1	I	1m children and young people will be served by interventions whose delivery organisations have signed up to IMPACT principles.	The IMPACT principles commit organisations to building and sharing evidence of what works. By ensuring a critical mass of children are served by organisations that commit to these principles, we will support better impact and reach.
	6.2	S	We will support/fund the evaluation of at least two large control trials of financial education.	'Large Control Trials' would mean at a scale that involves statistically valid comparison groups for children not receiving the intervention, a standard of evidence-gathering set by the Education Endowment Foundation with whom we work.
	6.3	S	We will support at least 10 projects with the evaluation of their financial capability provision for children and young people.	As evaluation is currently sparse in the children and young people area, achieving this in 2016/17 will greatly enhance the evidence base.

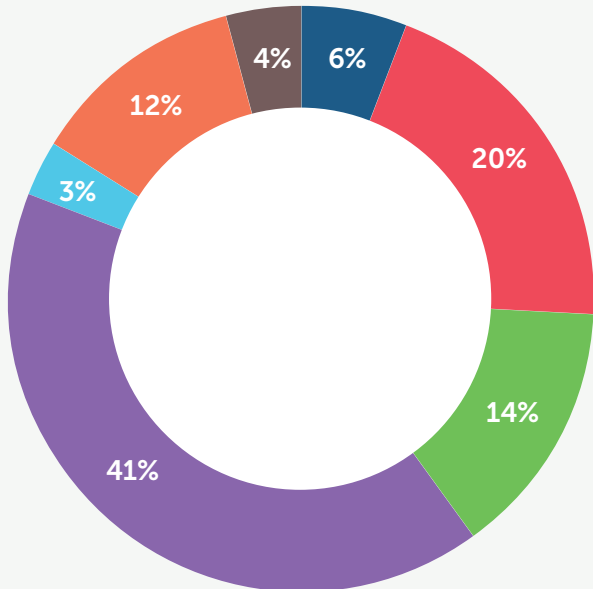
Chapter 8: resource summary 2016/17

This chapter provides a breakdown of the total Money Advice Service budget for 2016/17, and a comparison against the 2015/16 budget. The Service's money guidance and debt advice are funded by separate levies on the financial services industry; we therefore prepare separate budgets for each.

	2015/16	2016/17	Movement
Total Money Advice Service budget	£81.1m	£75.1m	(£6.0m)
Money guidance budget	£34.1m	£30.1m	(£4.0m)
Debt advice budget	£47.0m*	£45.0m	(£2.0m)

**Included £2.0m contribution from utilities companies towards debt advice funding, and £3.8m as a one-off cost towards possible impacts on clients affected by changes to the debt management market driven by the FCA's new regulation in the sector.*

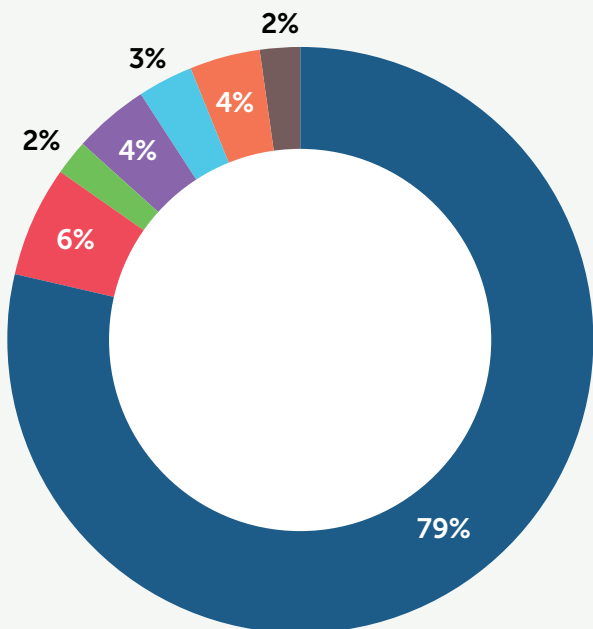
Money Advice Budget 2016/17



Key

- Financial capability strategy leadership
- What works: pilots, test-and-learn
- Delivery through other organisations
- Customer engagement and direct services
- Communications
- Back office support
- Board and executive leadership

Debt Advice Budget 2016/17



Key

- Debt advice funding for England and Wales
- Debt advice funding for Scotland
- Debt advice funding for Northern Ireland
- Second-tier support for learning, training and specialised needs
- Policy and research
- Co-ordination, standards and quality
- Back office support

Impact and budgets

Budget for money advice <i>All figures are in £000s</i>	Commentary	<i>Aim 2 is covered under the debt advice levy on the pages that follow</i>								
		2015/16 budget	Variance	2016/17 budget	Central costs & over-heads	Aim 1	Aim 3	Aim 4	Aim 5	Aim 6
Strategy										
Strategy total	Analysis and research of consumer problems; co-ordination of the sector through governance and communication	1,709	32	1,741	-	642	265	209	265	360
What works										
Piloting interventions	Piloting and evaluating potential new interventions to determine their impact and disseminate evidence of 'what works'	962	1,953	2,915	-	1,021	371	621	321	581
Evidence and evaluation	Monitoring and understanding the success of financial capability interventions by gathering, evaluating and disseminating evidence of collective impact	3,591	(564)	3,027	-	775	163	213	263	1,613
What works total		4,553	1,389	5,942	-	1,796	534	834	584	2,194
Delivery through others										
Co-ordination	Co-ordination of strategic alliances to achieve financial capability goals, without direct intervention	-	1,207	1,207	-	198	117	117	344	431
Commissioning	Commissioning others to carry out financial capability work, enabling them to enhance their scale and services	-	617	617	-	149	149	170	73	76
Placement	Placing 'white label' or syndicated solutions into the customer journeys where other organisations interact with people in target segments	1,000	1,419	2,419	-	-	1,525	794	-	100
Delivery through others total		1,000	3,243	4,243	-	347	1,791	1,081	417	607

Staff costs are included within each budget line item above.

Impact and budgets

Budget for money advice <i>All figures are in £000s</i>	Commentary	<i>Aim 2 is covered under the debt advice levy on the pages that follow</i>								
		2015/16 budget	Variance	2016/17 budget	Central costs & over-heads	Aim 1	Aim 3	Aim 4	Aim 5	Aim 6
Customer engagement										
Offline services	Provision of adviser operated offline services and support of webchat and email services, plus face to face costs to the end of September 2016	6,852	(2,194)	4,658	-	-	-	4,658	-	-
Digital (including website)	Website, product development, user experience, testing, maintenance and hosting	4,282	(833)	3,449	-	-	1,384	2,065	-	-
Marketing	Contribution to sector-wide campaigns	8,838	(4,859)	3,979	-	-	3,016	963	-	-
Printed guides	Production, printing, storage and distribution of printed guides giving money guidance	350	50	400	-	-	-	-	400	-
Customer engagement total		20,322	(7,836)	12,486	-	-	4,400	7,686	400	-
Corporate Communications	PR campaign activities, stakeholder engagement and internal communications	945	104	1,049	1,049	-	-	-	-	-
Support Services	Delivery of finance, HR, facilities, project management, procurement and information and communication technologies	4,476	(914)	3,562	3,562	-	-	-	-	-
Board and Executive Leadership	Board and Executive leadership team and administrative support	1,100	(23)	1,077	1,077	-	-	-	-	-
OVERALL TOTAL		34,105	(4,005)	30,100	5,688	2,785	6,989	9,810	1,666	3,161

Staff costs are included within each budget line item above.

Aim 2: Debt Advice Budget 2016-17	Commentary	Budget 2015-16 £000	Variance £000	Budget 2016-17 £000
Frontline delivery				
England and Wales	Funding for provision of debt advice to people in England and Wales	35,122	179	35,301
Scotland	Funding for provision of debt advice to people in Scotland	2,756	-	2,756
Northern Ireland	Funding for provision of debt advice to people in Northern Ireland	811	202	1,013
Impacted Clients	To meet the needs of clients affected by one-off changes in the debt management market. 2016/17 figures assume all 2015/16 budget used in-year	3,800	(3,800)	-
Audit for Funded Projects	Assurance work	-	50	50
Total frontline delivery		42,489	(3,369)	39,120
Second-tier support				
Specialist support	Funding to support provision of specialist advice to not-for-profit sector debt advisers	836	20	856
Action on hearing loss	Service available to grant-funded debt advisers to enable provision of advice to hard-of-hearing people	55	3	58
Language line	Service available to grant-funded debt advisers to enable provision of advice to those who cannot speak English	110	(17)	93
Training	Provision of training to grant-funded debt advisers	200	(15)	185
Prior learning accreditation	Funding to accredit adviser learning against quality framework	155	(155)	-
Capacity building (achieving standards)	Funding to enable our delivery partners to implement changes to comply with new standards	100	(100)	-
Awareness campaign	Working with partners to increase engagement with free debt advice	-	500	500
Total second-tier support		1,456	236	1,692
Policy and Research	Research work including symptoms of crisis debt and effectiveness of different debt solutions.	987	258	1,245

Staff costs are included within each budget line item above.

Aim 2: Debt Advice Budget 2016-17	Commentary	Budget 2015-16 £000	Variance £000	Budget 2016-17 £000
Co-ordination of debt advice				
Peer review	New peer review process for debt advisers and best practice	543	317	860
Accreditation	Maintenance of existing standards and codes and development of training and qualifications	423	16	439
Validation of knowledge	Hosting, technical support and platform update	-	219	219
MAT Tools	Administration of Standard Financial Statement	-	75	75
Pre-arrears	Conducting pilot and experiments	-	100	100
Sector co-ordination tools	Common Initial Assessment Tool; financial capability knowledge sharing including Evaluation Framework; Debt Advice Locator Tool, Knowledge sharing hub	225	(125)	100
Financial capability integration	Provision of financial capability after people have received debt advice	199	(149)	50
Events and Legal		-	100	100
Total co-ordination		1,390	553	1,943
Central costs & overheads	Delivery of IT systems and data, facilities, procurement, HR and finance	612	388	1,000
Total	Total budgeted expenditure	46,934	(1,934)	45,000
Debt advice levy	Net of the voluntary contributions towards to provision of Debt Advice from EnergyUK and WaterUK	44,934	66	45,000

Staff costs are included within each budget line item above.

The devolved nations – how we will make a difference across the UK

We are committed to working with the governments of Scotland, Wales and Northern Ireland, and with a wide range of stakeholders in the devolved nations, to ensure we provide an effective service that complements their work and adds real value, recognising the different legislative and policy environment.

Through our work with partners and stakeholders in the devolved nations, we are able to analyse different approaches to helping people manage their money, and to share and apply these learnings across the UK.

We have a similar structure of representation, governance and accountability for each devolved country:

- The Money Advice Service employs a permanent country manager in each of the devolved nations who is responsible for developing the Service there and managing relationships with key stakeholders.
- These country managers are supported by an Executive Director who in each case ensures that the devolved nations are represented at Board level and that their specific issues and considerations are factored into all of the Service's plans.
- We have also established a Money Advice Service Forum for each of the devolved nations, bringing together key stakeholders across relevant sectors to share insights and to inform plans for the future.

Chapter 9: Northern Ireland

Succeeding through partnerships in Northern Ireland

The Money Advice Service has an active Forum of key stakeholders in Northern Ireland working together to understand, map and improve activity to support both the Northern Ireland Executive's Draft Financial Capability Strategy and the Financial Capability Strategy for the UK. Membership of this Forum includes stakeholders across money and debt advice services, Northern Ireland Executive departments, financial services firms, credit unions, consumer bodies, housing associations, independent money advisers and the education sector.

This group has worked to develop an **agreed and prioritised work-plan to ensure the organisations are working collectively** to improve the landscape of financial capability in Northern Ireland. The first aim of this work-plan is to **understand the delivery of financial capability programmes delivered in schools across Northern Ireland** and to develop a clear picture of where it is delivered, by whom, what format this takes and the levels of impact evaluations carried out.

This work is designed to ensure that the work of the partners in the Northern Ireland Forum is having a collective impact by addressing the educational needs throughout Northern Ireland and is supportive of the **financial capability curriculum developed by the Council for the Curriculum, Examinations and Assessment (CCEA)**. The first stage in this mapping exercise will be designed to identify geographical spread, age ranges and volume of pupils as well as understanding the impacts through evaluation.

Earlier and wider access to debt advice in Northern Ireland

In previous years the Money Advice Service has provided funding for debt advice through the Department of Enterprise, Trade and Investment (DETI). The current funded services come to an end in March 2016 and the Northern Ireland Executive have asked the Money Advice Service to take on the responsibility for the funding and provision of debt advice in Northern Ireland, while continuing to work closely with the Northern Ireland Executive to ensure that the delivery is aligned with their priorities and continues to meet the needs of the people of Northern Ireland.

The Money Advice Service is currently engaged in a process to award grant agreements from April 2016 and will not be in a position to give a detailed overview of this delivery until this process is finalised. We have set aside **funding of up to £1 million a year** into two separate streams of funding:

- Stream 1 funding of up to £800,000 pa for three years will be targeted towards 11 projects to offer council-wide coverage for face-to-face and telephone debt advice
- Stream 2 funding of up to £200,000 pa for three years has been offered to fund projects that will facilitate 'hard to reach' groups and to engage people in a debt advice journey.

More people budgeting and saving in Northern Ireland

In light of the different approach being taken to the implementation of Universal Credit in Northern Ireland, we will work with the Department for Social Development (DSD) and the new Department of Communities to **develop our content for claimants** to ensure it reflects the unique flexibilities and that it meets Northern Ireland claimants' needs.

We will also continue to work with partners such as NIDirect to **refine the content we provide around significant 'life events'** to ensure that it remains up-to-date, accurate and above all relevant to people in Northern Ireland.

Improving access to advice in Northern Ireland

We want to increase the opportunities people in Northern Ireland have to access support and guidance that will help them manage their money better. We will continue to **provide services directly to the public in Northern Ireland and through partners** such as NIDirect and Clanmill Housing. We will ensure that where appropriate these add value to the Northern Ireland Executive's Programme for Government and its Financial Capability Strategy.

Our website will be our main channel to meet the needs of a growing number of people wanting to access relevant and topical information and advice. We will **work with Digital Inclusion Champions and the community sector** across Northern Ireland to encourage use of our website as a relevant tool for helping people to get online.

Our **telephone service** is also a key access point for those who cannot or choose not to go online. It will also offer a way to explore some more complex enquiries people may have.

Alongside these services, we will continue to **engage with a number of other groups and forums** such as the DSD's Housing Repossession Taskforce, the Northern Ireland Discussion Forum, the Government Advice & Information Group, the Money Advice Group, the Northern Ireland Government Affairs Group, and the Ulster Bank Community Impact Group. Through our active participation in these groups, we can help influence their work and also share the insights gained more widely.

Working with financial services

Alongside our work across the UK as a whole, we will **work with financial services firms based in or operating in Northern Ireland**, and with the relevant government departments and regulators, to identify opportunities to improve customer journeys and build in opportunities for more effective budgeting and saving.

Widening and improving financial education

As part of the work with the Northern Ireland Forum we have engaged with CCEA who are undertaking a review of the Northern Ireland curriculum and of the level of resources supplied to support the delivery of the financial capability elements of the curriculum.

A working group is being established with CCEA and representatives from the Irish League of Credit Unions, Ulster Bank, Bank of Ireland, First Trust Bank and Danske Bank to understand the **current offering from the financial institutions and improve the impacts of these resources** by matching them to the curriculum.

Chapter 10: Scotland

Succeeding through partnerships in Scotland

The priorities and actions identified in the Financial Capability Strategy for the UK as a whole are also applicable in Scotland and are reflected in this Business Plan. Due to a unique political, cultural and geographic environment in Scotland, however, it is appropriate to identify and deliver different and additional priorities.

The Money Advice Service's Scotland Forum was set up in 2012 to act in an advisory capacity, informing us on key issues facing people in Scotland, and helping us to understand the impact of our plans on people in Scotland.

The current members of the Scotland Forum have agreed to widen their scope to ensure that the recommendations within the Financial Capability Strategy for Scotland and the UK are delivered and remain relevant to the unique requirements, funding arrangements and stakeholders within Scotland.

A range of organisations and individuals have worked with our Scotland Forum to identify, evidence and develop priorities into an action plan for Scotland – setting out interventions that we think will have an impact on knowledge and skills, attitudes and motivations or ease and access of financial products and services. This includes:

- **working with Young Scot to support student money advisers** so that they are aware of all the available financial capability resources, including development of a post-college/university 'welcome to non-student life' package
- exploring with Citizens Advice Scotland the potential for **expanding their existing student volunteer programme** to develop 'financial capability champions'
- **evaluating interventions in the housing sector with young people**, including those who are homeless, to understand what works well and share this across the sector
- working with Young Scot to encourage colleges and universities, via the College Development Network and Student Awards Agency Scotland, to introduce **common approaches and build good practice for early interventions** with students at the point that they apply for a grant or loan
- launching the **Evaluation Toolkit pilot** with Money Advice Scotland to understand the impact of their financial education modules and group training.

Earlier and wider access to debt advice in Scotland

Over the past three years we have had a successful partnership with the Scottish Government jointly funding a series of debt advice programmes, administered by the Scottish Legal Aid Board (SLAB).

We have committed to continuing our funding of debt advice projects via SLAB and have entered into a **new three-year agreement**. We are also working with them to produce a robust and insightful **evaluation of the Making Advice Work Streams 1&2¹¹ and Economic Downturn Stream 1¹²** so we can continue to understand the effectiveness of the services we fund.

11. <http://www.slab.org.uk/providers/advice/grant-funding/MakingAdviceWork/index.html>

12. <http://www.slab.org.uk/providers/advice/grant-funding/EconomicDownturn/index.html>

We are also working with Fife Council to establish a **pilot programme to target early interventions for people before they get into crisis debt**, using the data they hold for applicants to the Scottish Welfare Fund.

The Scotland Forum, in partnership with others, will develop a **Corporate Debt Recovery Policy** and work with stakeholders to adopt a common approach to dealing with people in debt.

More people budgeting and saving in Scotland

We will work in Scotland to **support ABCUL Scotland's Credit Union Charter**. This includes:

- supporting access to safe savings and affordable credit for everyone in Scotland through credit union membership
- access to credit union membership and payroll deduction for every public sector worker in Scotland – and encouraging more private and not-for-profit employers to offer the same for their staff
- helping build partnerships between credit unions, housing associations and the advice sector to take a holistic approach to financial capability.

We will also support other affordable credit providers in Scotland and the work they do to encourage people to budget effectively and to start saving.

We will also support the work of the **financial capability team at Money Advice Scotland** as they deliver their financial education module, which has a heavy focus on budgeting, to a wide range of partners.

Improving access to advice in Scotland

In addition to the UK-wide actions to deliver access to good information and advice, we are continuing to **fund the Improvement Service in Scotland** to deliver the 'Improving Outcomes in Money Advice' project. This is aimed at improving the impact of Scotland's money advice services and providing support to councils and their partners in this process. The project is now taking forward the implementation of the Framework for Public Funding of Advice.¹³ This will include more detailed 'hands-on' support to councils and their partners to implement the key principles of the framework. They are also developing a performance management framework for use across the advice sector, which aims to build consensus on the key outcomes and indicators for measuring the value and benefits of advice services. This will also help facilitate exchange of good practice.

We will support work to **provide employers with a trusted point of contact and some guidance** to enable them to refer employees to the best source of debt/money guidance. We will continue to **support and refer to Scotland's Financial Health Service website** which provides a gateway to sources of trusted advice.

We will continue to work with **NHS Health Scotland** to develop closer links between health professionals and money guidance. We are inputting into work the NHS are doing on modelling health outcomes for advice services. We will support better use of the NHS as a trusted advisor, for example working with doctors to refer people to money guidance.

13. <http://www.improvementservice.org.uk/framework-for-public-funding-of-advice.html>

We will work with **Citizens Advice Scotland** to build on existing links with trade unions, and with Scottish Business in the Community to explore the potential for developing workplace financial education schemes, including more rigorous evaluation to understand what works.

We will continue to work closely with the **Scottish Federation of Housing Associations and use their network** to highlight our wide range of money guidance content and how this can be syndicated free of charge. We will also look at how referral pathways can be optimised.

Developing our influence on the financial services sector

Scotland has a large and dynamic financial services sector, serving large numbers of customers not just in Scotland but across the UK (and in many cases further afield). In line with the wider aims set out in this Plan, we will work with **financial services organisations in Scotland** to understand how we can build support for people to budget more effectively and save regularly, into their customer journeys.

We will also work with the industry to understand their **reach across Scotland in delivering financial education**. We will develop good practice and build evidence of what works and share this across funders and providers.

Widening and improving financial education

As in the UK as a whole, we will focus on working with partners to build the evidence base for 'what works' in improving children and young people's financial capability:

We will seek to identify partner organisations to conduct an **impact assessment of interdisciplinary learning**, with a focus on financial education, making links with the use of digital technologies.

We will conduct an **analysis of existing local authority activity for financial education** in schools, including support for vulnerable young people using peer-to-peer delivery.

We will also explore connections with the Scottish Government's '**Developing the Young Workforce**' agenda – for example Glasgow's Financial Education Curriculum programme – and **share best practice** across the sector.

Chapter 11: Wales

Succeeding through partnerships in Wales

A range of organisations and individuals have worked with the Money Advice Service Wales Forum to identify, evidence and develop priorities into an action plan for Wales. This developed the Financial Capability Strategy for Wales, launched in November 2015, and will be included as part of the Welsh Government's revised 2016 Financial Inclusion Strategy.

The Wales Forum will seek to ensure that **activity by organisations across sectors is co-ordinated effectively** to achieve the overarching aims of the Financial Capability Strategy for the UK through collective impact. Through the membership of the Forum, such as the Welsh Government, the Welsh Local Government Association (WLGGA) and the Wales Council for Voluntary Action (WCVA), as well as the leads of the Wales 'Financial Capability Forums' based in North, West and South Wales, we will be able to **engage effectively with stakeholders across sectors**. As part of this work we will also work with funders of interventions to seek matched funding arrangements, with a shared committed to 'IMPACT' or comparable evidence principles.

Earlier and wider access to debt advice in Wales

Nearly one in five people in Wales are over-indebted. There has also been a shift in the nature of debt, from debt for non-essential spending towards priority debt connected with the home including rent, mortgage and council tax costs and essential household bills. The information and advice sector focus is shifting gradually to reflect this but awareness of the availability of different services – including both free and paid-for debt advice – remains low. With current services already stretched there is a risk that preventative services are deprioritised in order to meet demand for debt advice.

As part of the recommendations from the Welsh Government's Advice Services Review, priority has been given to development of an **information and advice strategy to ensure consistent access** to high-quality services across Wales. Research completed by the review highlights that debt advice is offered by a number of different providers in Wales. The ambition in Wales is that funding for advice services, including debt advice, is co-ordinated by the National Advice Network. The network has membership from funders such as the Big Lottery Wales, Welsh Government, the Welsh Local Government Association and the Money Advice Service.

We will seek to **ensure effective co-ordination** between the work of the National Advice Network and wider activity to augment and improve debt advice services in Wales, and across the UK as a whole. We will also work with the **National Advice Network** towards including preventative money guidance in the work of networks in Wales.

In line with our wider aim for people to access debt advice earlier, we are working with **Community Housing Cymru** to develop a pilot scheme that will use Housing Associations' data to identify people at risk of falling into debt and design models for early intervention. The **Wales Co-operative Centre** is also providing signposting and referral for money guidance targeted at private tenants through the project 'Your Money Your Home'. We have established a pilot scheme with this project to evaluate the impact.

The Welsh Government's 'Discretionary Assistance Fund' offers payments and in-kind support to people needing urgent assistance, and where there is an identified need to safeguard health and wellbeing. We will work with the Welsh Government to ensure that where appropriate people accessing the fund are **referred to debt prevention services**.

Through the Welsh Government's Financial Inclusion Strategy, we will also work with stakeholders and existing programmes in Wales such as Communities First to consider the potential for **peer-to-peer support**. This could be effective in driving improved awareness of and engagement with debt advice, and increasing clients' financial resilience.

More people budgeting and saving in Wales

More than 99% of businesses in Wales are SMEs, and they account for 60% of private sector employment. **Helping employers in small and micro-businesses to support their own and their staff's money management** is therefore an important route to improving financial capability. We will work with stakeholders to explore options for achieving this.

The transition to Universal Credit presents additional challenges for claimants because of the switch to monthly payment and the requirement for recipients to budget for housing costs, rather than having this paid direct. This means that managing money day to day and longer-term planning will become more important and some groups in Wales may need particular help. Our Financial Capability Survey for Wales found that private renters, for example, are less likely to use credit appropriately, and have lower levels of confidence managing money and making decisions about financial products and services than tenants in social housing. We will work with **DWP Wales, Community Housing Cymru and 'Your Money Your Home'** to evaluate current work with people in rented accommodation and to share learning across Wales.

Improving access to advice in Wales

We will work with the **National Advice Network and the Independent Advice Providers' Forum** to understand better the advice needs of people in Wales and what content is already available across Wales to ensure that the Money Advice Service links appropriately to content that already exists to help people.

There are clear synergies between the Financial and Digital Inclusion agendas which we will seek to develop, to ensure that high-quality financial help is as widely available as possible.

Working with financial services

The revised Financial Inclusion Strategy in Wales highlights the vision of a Wales in which everyone can readily access a range of affordable financial services and products to suit their individual needs, as well as being able to readily access their own money, whether by automated or over-the-counter means.

The Money Advice Service will work with **Financial Inclusion Delivery Group** to support this agenda, and through this work seek to ensure that opportunities for people to receive support with budgeting and saving are integrated into relevant initiatives.

We will also work with the Credit Union umbrella organisations in Wales such as ACE and ABCUL to understand better how we can support the **Credit Union Strategy for Wales** currently being developed and help to ensure it brings people maximum benefit by helping them to manage their money more effectively.

Widening and improving financial education

The links between poverty, poorer health and education outcomes is widely recognised and supporting the early years is a key component to breaking this link. Supporting parents to increase their financial capability is a key component of tackling child poverty, a key policy driver in Wales. The revised Child Poverty Strategy, published in March 2015, includes an objective “to support families living in poverty to increase household income through debt and financial advice, action to address the poverty premium and action to mitigate the impacts of welfare reform”.¹⁴

The Money Advice Service, in partnership with the Welsh Government, Big Lottery Wales and a variety of programmes run by local authorities and not-for-profit organisations, will be conducting some **ground-breaking research in Wales**. The pilot, and the accompanying two-year longitudinal evaluation, will test the effectiveness of programmes designed to improve children’s financial capability through working with parents. The pilot aims to raise parents’ awareness of the important role they play in guiding their children’s approach to money management, and equip them with the desire, confidence and ability to develop the next generation of financially capable adults. The pilots will produce robust evidence on the impact and cost-effectiveness of parenting programmes. We will share the evaluation and learning from these schemes to help parenting programmes in Wales and more widely build understanding of what works and what doesn’t.

We will aim to demonstrate the value of peer-to-peer coaching by **supporting the Money for Life project ‘DOSH’ to evaluate their work**.

We will also work with the Welsh Government to build financial capability into the parenting programmes for the Welsh Government’s **‘Education Begins at Home’** and **‘Flying Start’** programmes, and into the **Families First** Initiative and successive programmes.

14. <http://gov.wales/topics/people-and-communities/people/children-and-young-people/child-poverty/?lang=en>

Welsh Language Scheme

The Welsh Language Scheme is linked to the Money Advice Service Equality and Diversity Policy. Our commitment is that the Money Advice Service values diversity and works inclusively. This enables us to meet our core aim of helping people take control of money to enhance their lives.

The Money Advice Service Welsh Language Scheme was approved by the Welsh Language Board on 26 March 2012.

The full Welsh Language Scheme is available online. Below is a summary of our commitments for delivering services in Wales:

Our website is available in both English and Welsh languages. Exceptions to this are video content and all digital media that works within an environment of instant communication, such as social media, including Twitter, and online advertising.

We provide a Welsh-language telephone service.

Our money guidance and debt advice services can deliver sessions in Welsh where requested.

The full Welsh Language Scheme is available on our website at: <https://www.moneyadvice.service.org.uk/files/welshlanguageschemeinenglish.pdf>

The Welsh-language version of our website is at: <https://www.moneyadvice.service.org.uk/cy>

We submit an annual monitoring report to the Welsh Language Commissioner.

The most recent report can be found here: <http://comfy.moneyadvice.service.org.uk/system/comfy/cms/files/files/000/000/209/original/MAS-AR-WALES-SCHEME-2015.pdf>

**Annex:
Our response to
the Independent
Review of the
Money Advice
Service**

This annex explains the Money Advice Service's work during 2015/16 looking at recommendations from the Independent Review conducted by Christine Farnish.

Christine Farnish delivered an Independent Review of our Service to HM Treasury in March 2015.¹⁵ When the Independent Review was published the Money Advice Service accepted 19 of the 25 recommendations it made. These 19 recommendations have impacted our Corporate Strategy in numerous ways, especially with regard to our debt advice co-ordination; our work on the UK Strategy; and our work on children and young people. We asked an Independent Panel of experts to help us consider the remaining six recommendations, as we felt that we would need help and support to turn them from recommendations to implementation, and further help refining the evidence about the true consumer needs they implied. Other recommendations were for the government and for the FCA.

The Independent Panel comprised:

- Clinton Askew, Chair of the FCA Smaller Business Practitioner Panel;
- Philip Brown, LV=;
- Professor Sharon Collard, Open University;
- Joanna Elson, Money Advice Trust;
- John Godfrey, Legal & General;
- Martin Lewis, Moneysavingexpert.com;
- Sue Lewis, Chair, Financial Services Consumer Panel;
- Kirsty Mackey, Barclays;
- Michael Mercieca, Young Enterprise;
- Otto Thoresen, NEST.
- Jonathan Douglas from our own Board chaired the panel.

The panel met three times and considered a range of consumer evidence, options and the broader strategic drivers around money guidance. We are extremely grateful to the Panel for their contributions, which included challenging but constructive debate.

The Panel offered to meet with us six months after the end of the process to look at our progress in implementing the conclusions we reached. The notes below reflect the main discussions we had with the Panel and the conclusions we reached. All of our conclusions were heavily shaped by the discussion and debate with the Panel, but the Panel agreed that we should not seek their unanimous endorsement.

Recommendation A12: gap-filling

Recommendation A12: *MAS should identify gaps in provision and take steps to address them, including through grant funding.*

This is covered in full in the Corporate Strategy chapter earlier in this business plan - see pages 8-22.

15. <https://www.gov.uk/government/publications/review-of-the-money-advice-service>

In summary, we reviewed with the Independent Panel a process designed to make the decisions about gap filling as objective as possible. We based the evidence on the 2015 Financial Capability Survey of more than 5,000 people, looking at their actual behaviours in key financial capability domains, and at evidence of what provision was available to help people. In the light of this analysis we agreed the six aims of our Corporate Strategy as defining the gaps the Money Advice Service intends to fill.

A7: offline money and debt advice

Recommendation A7: MAS should, when opportunities allow, seek to integrate its debt avoidance face-to-face, phone and web chat advice into its debt advice funding regime.

We agree with Christine Farnish's view that we can help the people who currently use our face-to-face channel more effectively by working through our debt advice lead organisations. So we have increased the amount of debt advice available, and we will be encouraging people to engage with debt advisers earlier. From 2014/15 to 2015/16 our core money guidance budget fell by £8.9m, which enabled us to increase core year-on-year funding of debt advice by £5.1m.¹⁶

From 2015/16 to 2016/17, we intend to go still further, along the lines proposed in the Independent Review. We plan to replace our face-to-face channel (from 30 September 2016) and:

- transfer a further £1.9m to our core debt advice funding, alongside increasing the debt advice sessions we run by a further 55,000 compared to 2015/16 figures
- develop an enhanced telephone service
- deliver a range of other initiatives to support people who would typically access face-to-face services.

In recent years we have seen the demand for face-to-face advice sessions go down, at the same time as we have received record volumes for both our online and contact centre services. Our evidence shows that the phone is now as effective at getting people to take actions as face-to-face; however, face-to-face support is almost eight times more expensive than providing support via the telephone.

Debt and benefits are the most commonly discussed topics during face-to-face money guidance sessions, so we will be helping people who present with these topics by:

- **working with leading benefits charities** – such as Turn2Us – to further develop the advice telephone advisers can give to customers and the roll-out of this training will be completed during the early part of 2016. Due to the cost-effectiveness of the phone channel, we will be able to service a significantly higher volume of benefits-related enquiries.
- enhancing our website to guide customers to the most appropriate source of **help for those needing assistance with benefits** – because in addition to our own service offerings, there are already a wide array of options in both the public and charity sectors for people to access benefits-related advice.
- trialling different interventions to **get people most at risk of debt to seek advice** before their debts become a serious problem (see chapter 2 of this plan).

16. The remainder was also allocated to debt advice work, but to one-off costs in 15/16 rather than core funding.

We also plan to enhance our telephone service with a range of measures designed to support people's financial capability. Over recent months, we have made some amendments to our phone service which has already improved the number of primary actions taken by customers by over 40% and we believe that the changes we will make in 2016/17 will increase this further. These improvements will include the option for extended money advice sessions, follow up sessions, better integration with other organisations, tailored guidance by email following phone calls and video chat as well as web chat.

We acknowledge that there is a small percentage of potentially vulnerable customers who would benefit from help with proactive money advice but who might not be reached via our telephone or digital services or through our enhanced and expanded debt advice support. This business plan contains two further initiatives to help them:

- We will invest funds to **pilot interventions in partnership with third sector organisations** already engaged in this area to understand how we can most effectively reach those most in need of face to face proactive money advice (see chapter 4 of this plan).
- We will invest funds into **peer-led capacity building in the sector** to improve both the quality and quantity of money advice delivered within the UK.

A10: website and marketing

Recommendation A10: MAS should move to the recommended new website model and minimise spend on marketing activity.

We agreed with this recommendation, and most of the people the Panel enthusiastically endorsed it too. The panel helped us develop our thinking about a new strategic aim (aim 4 in our list of corporate strategy aims) to ensure more people access financial advice. We want to make sure our website speaks a language that resonates with the key parts of our audience, engages them not just on a single topic but helps them to understand their money overall, then directs them to the best available resources.

We have ceased all our dedicated brand building marketing. Instead, customer communications will seek to co-ordinate partners. This co-ordination will address social norms about spending and saving; and topical money issues that can engage consumers with their money (for example, interest rate rises). We will particularly focus piloting, testing and learning on segments that are disengaged from managing their money.

A13: separate financial products helpline

Recommendation A13: MAS should first pilot and then establish a Financial Helpline and this should be promoted by retail financial services firms. MAS, FCA and FOS should coordinate to ensure effective triage and a 'one stop shop' for consumer queries on financial matters where possible.

We have always offered help with financial products as part of our helpline service; the distinctive point about this recommendation was its proposal for a standalone service that would be separately marketed to consumers.

We commissioned customer research about whether consumers had a propensity to call a standalone financial products helpline, along the lines laid out in the Independent Review. This research showed that demand was relatively low and this demand would always only be a component of the range of financial capability needs.

The Panel reviewed this evidence. The conclusion was that the case for the cost and complexity of launching a standalone products helpline was low, but we should continue to offer (and develop) product-related support in any telephone helpline service.

However, the panel discussions also advanced the view that providing telephone support about financial product choice could be valuable as part of an 'assisted digital' customer journey. That is, after customers have read complex information on financial guidance websites about products, some of those customers may still need support that reduces confusion and helps them to take action. Thanks to the interest and involvement of moneysavingexpert.com, we ran a pilot for six weeks of just such a service. An invitation to call a dedicated Money Advice Service helpline was embedded at key points in moneysavingexpert.com pages dedicated to helping consumers choose basic bank accounts, cash ISAs, savings accounts and credit card balance transfers.

The pilot showed that there was a low but focused demand, and that we could meet the customer need without straying into regulated advice. At the time of publishing this consultation version of our Business Plan we are reviewing the pilot results in the light of our budget for next year. But we think an operational version of this service, offered to financial guidance websites that aim to educate and inform consumers about product choice, could be a promising way of bringing the support offered by a helpline to customers that need it.

We worked closely with the FCA to create a reciprocal 'triage' arrangement whereby callers who call our telephone service but really need the FCA's help are quickly cross-referred; and vice-versa.

A14: simplifying product information

Recommendation A14: *MAS should work with industry sectors to simplify consumer information about products and help make product features more comparable. MAS should commit to a small number of such projects a year to sustain momentum.*

We agreed with the Panel that this was an important area. With the Panel we welcomed the FCA's publication of its 'Smarter Consumer Communications' paper in June 2015, where it clarified what it saw as the most pressing issues and expressed a clear intention to lead.

Given the FCA's lead, the Panel agreed that we should not duplicate the FCA's work. We do intend to supply the FCA with consumer insight and through our financial capability coordination encourage its success.

We also took inspiration from this recommendation to think about how our engagement with the financial services industry could most make a difference to the consumer needs we identified through market analysis. As aim 5 above states, we think our distinctive focus should be on influencing opportunities for financial products and services to enhance the financial capability of consumers less likely to budget and save.

A16: kitemarking of generic guidance

Recommendation A16: *MAS should establish consumer-oriented quality criteria and a panel of independent experts, list providers on its website, and explore the feasibility of awarding good providers with a MAS Quality Mark; the government should consider whether it is necessary to clarify MAS's statutory powers in this area.*

The Panel agreed that a website designed as a 'gateway' service to many other sources of financial information presents new challenges over *which* resources to link to, and *why*.

We explored in consumer research whether a kitemarking scheme would help us to address this challenge. The reaction we received reflected consumer confusion – as consumers are really interested in seeing kitemarks for financial products, not against generic financial guidance.

In the light of this conclusion we agreed with the panel that we will develop strict policies and processes around the selection of resources we link to.



Money Advice Line **0300 500 5000***
Typetalk **1800 1 0300 500 5000**

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us on the above numbers.

*Calls cost the same as a normal call, if your calls are free, it's included. To help us maintain and improve our service, we may record or monitor calls.

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