Recommendations

The following document sets out all of the recommendations made within the Financial Capability Strategy for the UK draft document. More detail on these recommendations and how they were developed can be found in the detailed evidence packs which you can download from fincap.org.uk

Children and young people

1: Do more to equip and motivate parents and carers to teach their children about money

- Identify, agree and extend use of **simple, key messages** about money for children of different ages.
- Work with financial education providers to design and promote opportunities for parents and children to build on financial education in schools and **learn more about money at home**.
- Work with organisations that provide early years care and family learning opportunities to develop and extend the availability of programmes that encourage parents and carers to **engage with their children around money from an early age.**

2: Ensure that all children, regardless of their family situation, have the opportunity to learn about money outside the home

- Work with organisations that teach and support children, young people and parents to **embed financial capability within their programmes.**
- The Government should consider the case for **adding financial education to the primary curriculum in England.**

3: Financial service and education providers should increase **opportunities for children and young people to manage their own money.** For example, providing banking products for children and young people with modern product features so that children can put their learning into practice.

4: Focussed research to identify the most effective ways to **help young people feel proud to be good with money.**

Preparing for later life

5. Build on the success of automatic enrolment through:

- Advice organisations, Government and product providers undertaking co-ordinated research about the most effective ways to **overcome attitudinal and motivational barriers** to long term planning and saving and committing to act on the results.

- Increasing take-up of financial capability support that focuses on **budgeting and general money management skills** to enable and encourage people to save more for later life.
- Joint action with the broader pensions industry to develop messaging to **support and then supplement the 'we're all in' campaign for automatic enrolment** from 2018.

6. Build on landscape changes announced in the Budget 2014:

- In relation to retirement income products and services, product providers will need to **develop their proposition to meet evolving customer needs**.
- **Support people approaching and transitioning into retirement** so that they can make informed financial choices about their later life, including through the Guidance Guarantee.

Older people in retirement

7. Support **the 1 in 3 older people who find managing their day to day finances difficult to become more effective money managers**.

- Ensuring budgeting tools and support are accessible for older people and improve signposting and referrals.
- Providing practical support and assistance to help older people to shop around and get the best deal on big purchases, utilities or other services.
- Helping older people to maximise their financial means.

8. Building on AgeUK's Financial Services Commission recommendations, the financial services industry should work with the advice sector and older people's organisations so that **products and services are easy to use and accessible for older people**.

9. **Focus resources on the key risks to financial well-being in later life**

- Support people who reach retirement with a mortgage to **develop a realistic mortgage repayment plan** (that may involve debt advice).
- **Increase the early take-up of debt advice** by over-indebted retirees.
- Encourage people to **make timely plans to manage the impact of increasing cognitive impairment** on financial wellbeing.
- Help people **make informed and sustainable decisions about funding long term care**.

People with financial difficulties

10. Money Advice Service should lead work with the advice sector, DWP, housing associations and credit providers to **develop and extend effective methods to reach more of the people who are struggling to keep up so that they can absorb income shocks more effectively**.

11. Work across the financial services industry, key creditors and debt advice sector to **identify where there is scope to spot problems earlier, before debt becomes unmanageable**.

12. The debt advice sector, creditors and public services should work together **to encourage more people with debt problems to seek debt advice earlier**.

13. Money Advice Service to initiate work with the debt sector to put in place **the right formal solutions to enable people to sustainably resolve their debt problem**.

14. **Develop best practice for offering 'breathing space' and to encourage take up across the** financial services, utilities and public sectors.

15. On-going work led by the Money Advice Service with the debt advice sector to drive up quality, consistency and effectiveness of debt advice services, including **ensuring that more debt advice clients also receive money advice to increase their resilience in future**.

Ease and accessibility of financial products and services

16. Money Advice Service to work with **consumer organisations to systematically identify, prioritise and propose solutions to problems** of access to financial services including advice, whether problems faced by specific disadvantaged groups, or problems with the ease of accessing specific services.

17. **Help people to understand the consequences of the choices they are making by**:

- FCA and industry working together to increase clarity on the costs of credit in terms that people understand intuitively, for example, pounds and pence, not percentages, and making clearer the impact of missing payments.
- Simplifying and, where possible, standardising terms and conditions to highlight the parts that matter.
- Using behavioural science techniques to design 'consequences' messages that people assimilate quickly during a buying process and that work on motivations as well as knowledge.

18. Money Advice Service, consumer organisations and others to **drive awareness and highlight the benefits of the use of appropriate independent advice**.

19. Continued **innovation in the use of interactive on-line financial self-assessment tools and decision aids**, as an easy and cost-effective complement to personal advice.

Influencing social norms

20. Cross-sectoral work to develop and test interventions that encourage financially capable behaviours, particularly at key life events when people are more receptive to changing their behaviour.

21. The development of simple money management messages to encourage resilience building that can be deployed and repeated through trusted intermediaries and brands.

Evidence and evaluation

22. Financial capability funders, researchers and providers should commit to the evaluation and evidence principles set out alongside this Strategy. These aim to drive consistent impact evaluation, assess the effectiveness of services using standard outcome frameworks and enable open sharing of results to create a common understanding of what works.

23. Relevant organisations, including the Money Advice Service, financial capability providers, research institutes and academic bodies, should conduct research and evaluation to fill the key evidence gaps, such as the most effective ways to help people overcome their natural reluctance to start preparing for future expected and unexpected events.

24. Funders to direct funding to programmes that have been shown to work or to new and innovative projects with evaluation build in.

25. Providers to commit to using evidence to inform delivery decisions.