

The FSA's approach to improving financial capability

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What do we mean by 'Financial Capability'?



- **Managing money - living within one's means**
- **Planning ahead - coping with unexpected events**
 - making provision for the long term
- **Making choices - having an awareness of what's on offer and selecting the right product**
 - being able to say 'no'
- **Getting help - ability to gather information for oneself but also knowing where and when to turn advice**

Content



- **Financial capability – what's the problem?**
- **Why did we get involved?**
- **How can we make a difference?**
- **Questions**

Financial capability – so what's the problem?



There's a problem we have to solve

- Demographic change – ageing & fragmentation
- Lack of confidence and understanding

No one organisation has the responsibility, incentive or capability to solve it alone

Improvements will take time and new ways of thinking

- In for the long term
- Work in partnership
- Agreed priorities

What's our remit?



FSA statutory objectives

- Secure an appropriate degree of protection for consumers
- Promote public understanding of the financial system

Long term aims

Consumers who individually:

are financially capable; and
are able to take responsibility
for their own actions.

Consumers who, as a
group, can influence
the market

Making a difference



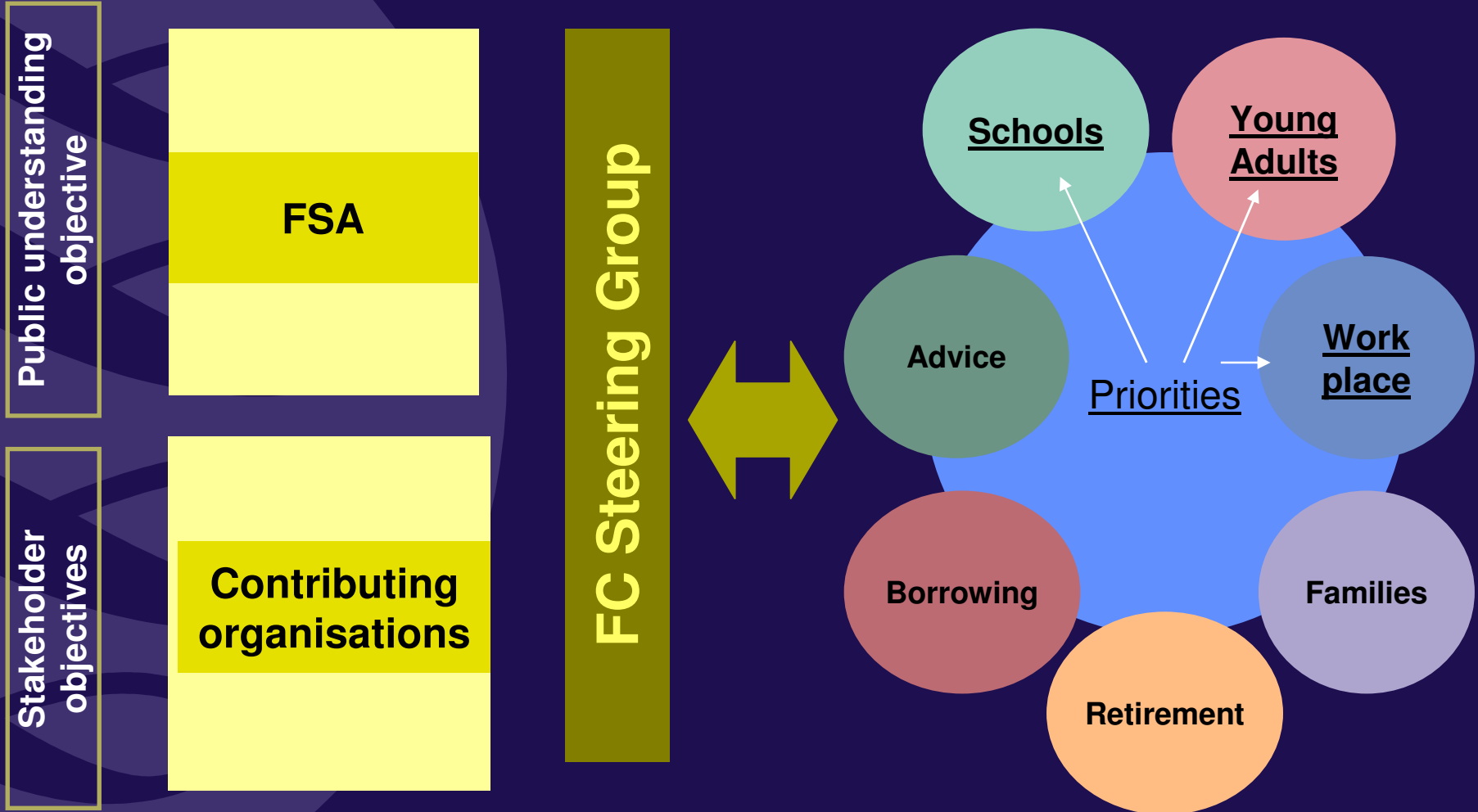
- **National Strategy for Financial Capability**

National Strategy for Financial Capability – the role of the FSA

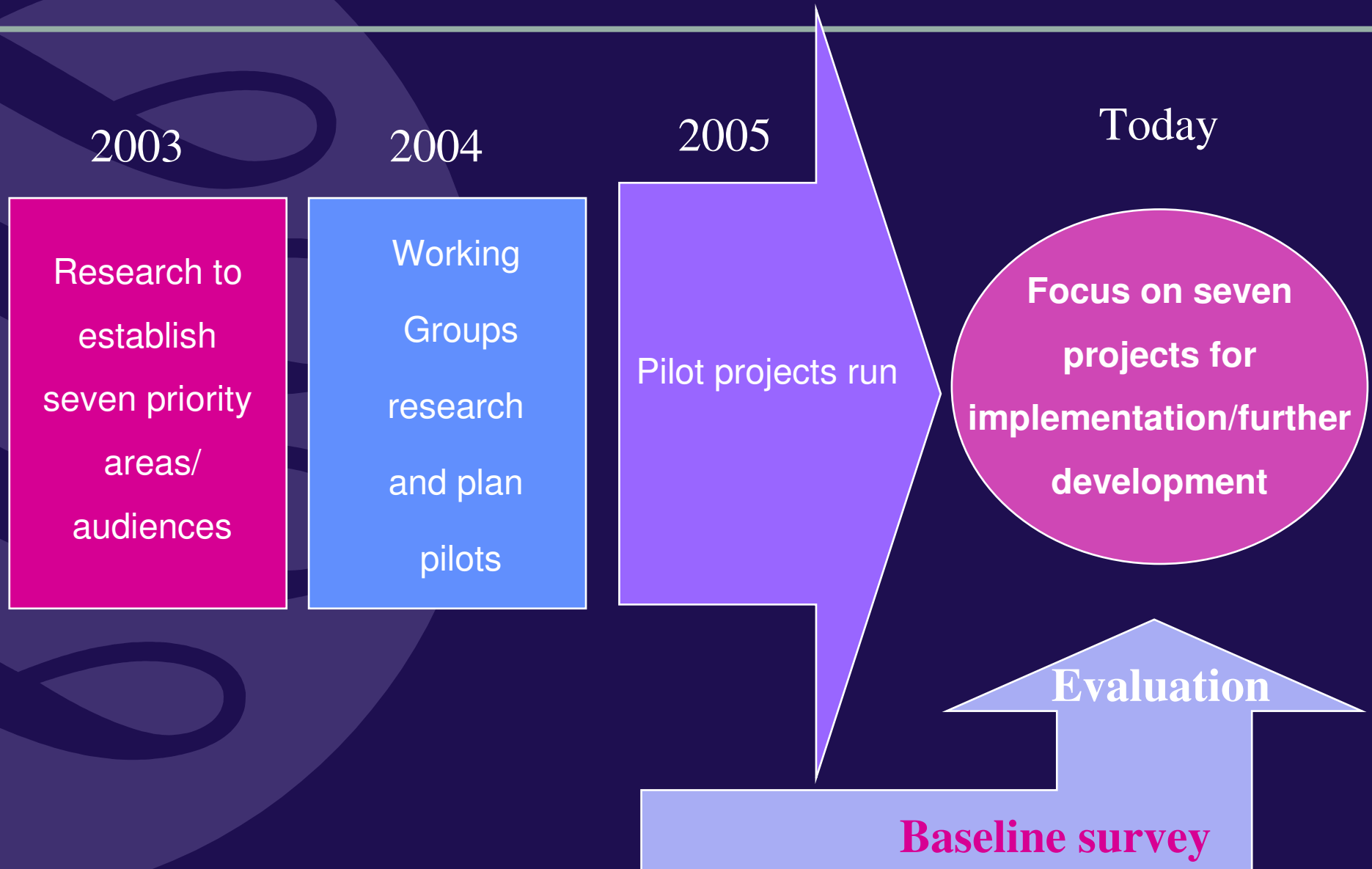


- **Overall leadership, co-ordination and communication**
- **Leading and co-ordinating some of the projects**
- **Designing some outputs**
- **Delivering some outputs**

How the strategy evolved



Moving the Strategy forward



Where are we now?



Schools	<ul style="list-style-type: none"> • Personal financial education will become part of the national curriculum from 2008/09. FSA plans to bridge the gap - before these reforms are implemented in full by the DfES - by providing support in developing teacher skills and in policy development
Young adults	<ul style="list-style-type: none"> • Encouraging university pastoral services to take up a range of pro-active and innovative approaches to engaging students on money matters and to provide national supporting infrastructure (including a national youth phone line for financial services help) • A NEET (young adults <u>n</u>ot in <u>e</u>mployment, <u>e</u>ducation or <u>t</u>raining) project will aim to 'mainstream' financial capability within youth support/outreach work by 2008/09
Workplace	<ul style="list-style-type: none"> • Rolling out a programme of support and encouragement for personal finance guidance in the workplace, focusing initially on large employers in the public and private sectors
Generic Advice	<ul style="list-style-type: none"> • Examining whether there's a business case for the commercial provision of generic advice
Financial Healthcheck / Debt Test	<ul style="list-style-type: none"> • Online tools (BBC and FSA web sites) helping people to make better financial decisions and to prevent debt problems
Maternity leavers	<ul style="list-style-type: none"> • Looking at distributing financial information to maternity/paternity leavers through their employer
FSA campaigns	<ul style="list-style-type: none"> • Overhauling the FSA consumer communications strategy - this will include the existing consumer website and publications to make them more accessible, engaging and appealing; a redesign of our distribution network, including the syndication of content and a sustained programme of consumer campaigns to market and promote FSA material

Any questions?