

Evidence questions

1. What policy change would most support increased financial inclusion for the client group you represent?

Repealing the removal of the spare room subsidy

2. What do you see as the role of the regulator, government, and financial services in promoting inclusion?
3. Do you have any practical examples of financial inclusion initiatives that have been successful?
4. What impact, positive or negative, does the increasingly digital delivery of financial services (e.g. prepaid cards, online banking) have on financial inclusion?

Where individuals can access the internet they can obtain better financial deals, however they can also access payday loans very speedily too. Online banking is very good for keeping a close eye on income and expenditure

5. What opportunities are there to use technology to facilitate financial inclusion?
6. How has the financial downturn changed the nature of financial exclusion?

In our experience the combined impact of welfare reform (most notably the removal of the spare room subsidy and the benefit cap), increasing utility costs, the freeze on wages and benefits, and the increased use of sanctions have left many of our residents struggling to meet their regular commitments. They are increasingly reliant on high interest borrowing and food banks.

7. What is the impact of welfare reform on financial inclusion and what support should be available to people as a result?

As outlined in the previous question. We now have a Green Living team who can assist residents to access fuel saving measures and give advice on the best provider for them in their circumstances; we have a Money Advice & Benefits team who are working at maximum capacity to assist residents, and are now referring more individuals for DROs so that they can have a fresh start to try to manage their on-going commitments. The removal of legal aid for welfare benefit cases has severely limited the availability of independent advice and assistance in this area.

8. What transactional services do households on low or unpredictable incomes, or who have experienced a life shock, need and want?
9. What improvements are needed to make basic banking fit for purpose?

We would like to see the extension of jam jar type accounts or cards so that people could more budget easily however the cost of these, although usually less than £15 per month are still too expensive for people on benefits or on low wages to be able to afford. In addition the TV licensing authority will not accept BACS payments which means that the credit union jam jar accounts cannot be used to pay this liability; this makes it difficult for us to recommend this product. If this issue could be resolved we would promote them widely.

10. Can technology help deliver better transactional banking services for people on low or unpredictable incomes?
11. Is there scope to bring people into mainstream credit who are currently excluded, while also ensuring that this does not risk financial difficulty?
12. For people who are unlikely to qualify for mainstream credit, what might affordable alternatives be? Should banks, building societies and others play a role in provision?

We are supporting the NHF to offer MY Home Finance loans to our residents; this allows small loans at affordable repayment terms to be made to our residents

13. How does credit scoring contribute to financial exclusion, and are there viable alternatives to traditional credit scoring?
14. What reforms could be considered to ensure consumers getting into financial difficulty are protected including those who become insolvent?

The law remains unclear on the position of tenants who have a live possession order and DROs; this should be clarified

15. What role should the state and the insurance sector play in providing a financial safety net in the event of an unexpected life event? e.g. bereavement, family breakdown, unemployment and illness
16. Is the insurance market functioning appropriately and competitively?
17. How can we ensure that people on low incomes, especially private tenants, have access to appropriate and attractive insurance products for their possessions and property?
18. Will pension reforms enable inclusion, and what further improvements could be made?
19. Should policymakers enable and encourage people on low incomes to save, particularly in the economic downturn?

Yes but in order to save people need to have a disposable income and most of the people we deal with don't!

20. To what extent can savings act as a preventative measure, helping people to avoid debt?
21. What incentives to save work best for people on low incomes, and how might the costs of these incentives be met?
22. What practical steps could be taken to foster a savings culture in the UK?