

Financial Inclusion Commission Strategy 2020

Who we are and why we are here

Financial exclusion remains a significant challenge for 21st century Britain which prides itself on being a global leader in financial services.

Just over a million people in the UK do not have a bank account, one in four households lack insurance protection and one in five adults would not be able to cover more than one month of living expenses if they lost their source of income.

Financial inclusion is the means by which people can make their money work well for them, enabling them to maximise opportunities, move into employment, become more self-reliant, and enhance physical and mental wellbeing. Financial inclusion contributes to greater social mobility and levelling up, a more effective welfare system and greater national resilience from economic shock.

The Financial Inclusion Commission (FIC) is an independent body made up of experts from financial services, businesses, the charity sector, academia and parliamentarians from all major parties <https://www.financialinclusioncommission.org.uk/>

Our vision is for a financially inclusive UK where financial services are accessible, easy to use and meet people's needs over their lifetime, and where everyone has the skills and motivation to use them.

Our mission is to champion financial inclusion as a policy priority for public bodies, businesses and civil society, and challenge exclusion wherever it occurs.

What we do

- **Convene:** assembling of a coalition for change
- **Understand:** gathering evidence to understand better the impact of being financially excluded in the UK
- **Influence:** creating and championing practical policies to achieve change

How we work

Three principles/values underpin all our work:

- **Experience-led, evidenced-based.** Our work is informed by research and lived experience, amplifying the voice of those who experience financial exclusion.
- **Collaboration and partnership:** We recognise that we can achieve more change by working with others. We amplify voices calling for positive change wherever we can.

- **Challenge:** We believe full financial inclusion is achievable and commit to challenging ourselves and others to make it a reality.

What we want to achieve

We will work towards a UK where financial services are accessible and where everyone has the skills and motivation needed to use them:

Where people can access, at a fair price, the essential financial products and services that meet their needs over a lifetime; and

People have access to high quality education, guidance and advice on financial products and services that meet their needs over a lifetime.

Goal 1: People can access, at a fair price, the financial products and services that they need.

How we will meet this goal

- Using research, establish the extent to which people are financially excluded. This can be through a lack of access to essential financial products and services at a fair price or by understanding why people are reluctant to take out products. We will use this research to understand the detriment caused.
- Work with partners so that government, industry and regulators recognise the impact of being financially excluded, and act to eradicate financial exclusion. This will include the championing of inclusive design to help reshape the financial services.

Goal 2: People have access to high quality education, guidance and advice on financial products and services that meet their needs over a lifetime.

How we will meet this goal

- Highlight the lack of access to high quality education, guidance and advice (including debt solutions) and the detriment people experience because of this across their lifetime.
- Work with partners so that government, regulators and businesses recognise and adopt inclusive design to eradicate the impact of inadequate access to education, guidance and advice.

What success will look like

- Every UK resident, throughout their lifetime, has the financial products to meet their needs through:
 - a fully functional transaction account;

- credit at a fair and affordable price;
- the right insurance at a fair and affordable price;
- emergency and long-term savings products, including pensions.
- The people and organisations with the power to make change happen will engage with and adopt our recommendations because they make commercial and/or practical sense.
- Government, business and regulators recognise the impact of financial exclusion where people (1) cannot access essential financial products and services and (2) pay more for these products and services. This may be because they are poor or because providers assess their life circumstances as presenting higher risk or more expensive to serve.
- Government, business and regulators take measures to ensure that people have access to the essential financial products and services they need at a fair price and protect their interests.
- Government, business and regulators work together to bridge the gaps between regulatory and social policy to ensure nobody is left behind. This includes a comprehensive safety net that effectively bridges private and social insurance.
- Every adult will have a clear picture of what their income in retirement is likely to be, so that they can plan ahead and the overall level of pensions provision – state plus private – does not lag behind other developed countries, especially for the low paid.
- Government, business, and regulators recognise the impact of people not having access to high quality education, guidance and advice about essential financial products, services and their rights and protections as consumers.
- Government, business and regulators implement policies to ensure high quality education, guidance and advice are available to all, so that people have the financial skills, knowledge, and understanding they need.
- Financial markets, products and services are designed inclusively and do not cost more if you are poor or face challenging life circumstances.
- Products and services are designed and communicated in line with actual financial capability needs.