



Department  
for Work &  
Pensions

# Departmental Review of the Money and Pensions Service (MaPS)

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November 2021

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# Foreword

The Money and Pensions Service (MaPS) provides a range of vital information, guidance and advice services, free at the point of use, helping millions of people to manage their money. It is a unique service in the UK's complex and sometimes confusing financial and legal systems. It is a trusted source of impartial help. Either directly through its own services, or indirectly through its commissioning partners, MaPS changes people's lives for the better.

The development of MaPS is a work in progress. The organisation could not have had a more challenging start. It was born out of the merger of three separate legacy organisations, at least one of which had persistently struggled to establish an effective identity and operating model. MaPS came into existence in October 2018, initially as the Single Financial Guidance Body, before being rebranded as MaPS. The bringing together of three organisations would of itself have been a significant challenge. Merging three separate workforces, systems, processes, cultures etc. is never easy, however this challenge was compounded by two further disruptions through the course of these first two years.

MaPS has experienced unusually high turnover of key personnel, including the very brief tenure of its first CEO. This turnover of executives necessarily slowed down the organisation's process of integration and stabilisation.

On top of these existing challenges, MaPS then had to deal with Covid. It wasn't unique in this regard; across the UK, businesses, charities and public services have all had to contend with the unexpected necessity of maintaining operations while relocating millions of workers to home. This has meant a particular strain on HR and IT services. This has been an extraordinary achievement for all organisations and particularly so for MaPS, so early in its existence. The compounding effect of these three challenges; merging three into one, dealing with the executive team turnover and then the disruption of Covid is not to be underestimated. Everyone has had to deal with tough challenges over this Covid period; without wishing to devalue the experience of others, MaPS' experience as an operational organisation has probably been uniquely difficult.

MaPS benefits from the services of a highly experienced Chair and Board, who have helped steer it through the challenges of its first two years. Hopefully it now has a stable executive team; they are making good progress in developing the organisation in ways that simply haven't been possible hitherto.

This review has identified areas where MaPS has failed to live up to expectations to date. Through the review process I have sought to identify the root causes of the disconnects in delivery. It is clear there is much good work now in train within MaPS

and that it is evolving into a more efficient and effective organisation. The recommendations in this review will I think further build on that progress.

I would like to thank everyone who has assisted in and contributed to this review. I have benefited from the active engagement and constructive feedback of DWP and HMT officials. There is widespread goodwill and support for MaPS across the entire ecosystem within which it operates. Debt advice charities, banks, investment companies and pension providers are all unequivocally supportive of the role MaPS plays in the UK; as one interviewee for this review put it 'if MaPS didn't exist, we'd have to invent it'. I am grateful for their insights and willingness to act as 'critical friends', approaching this review as an opportunity to help MaPS improve what it does in the future. MaPS colleagues have also engaged with this review in a constructive and cooperative manner, giving their time for interviews and responding promptly and fully to all information requests, I would like to thank them for their assistance with this review.

I would also like to express my particular thanks to the DWP team who have supported the work of this review, for their insights, hard work and their patience.

A handwritten signature in black ink, appearing to read 'Tom McPhail', with a stylized flourish at the end.

Tom McPhail

# 1. Introduction

## Aims of the Departmental Review

Departmental reviews provide assurance and challenge about the continuing need, efficiency and good governance of public bodies. Since 2016 all departmental reviews have been carried out in line with the Cabinet Office 'Tailored Reviews: Guidance on Reviews of Public Bodies'.<sup>1</sup>

The cycle of Tailored Reviews has however now ended and policy development on a new review programme is currently being undertaken by the Cabinet Office. This departmental review of the Money and Pensions Service (MaPS) follows the broad structure that will form the basis of the new review programme, with a focus on four key aspects:

- Governance
- Accountability
- Efficacy and
- Efficiency.

## Process

The review was led by Tom McPhail, supported by a small review team from DWP and was conducted between April and July 2021. Evidence was collected from materials supplied by MaPS and DWP's Arm's-Length Bodies (ALB) partnership team and from interviews conducted with MaPS senior leaders, DWP ministers and officials, HMT ministers and officials and a range of external stakeholders. A variety of relevant third-sector organisations were also consulted. See Annex A for details of all those interviewed.

The review terms of reference were agreed by the Minister for Pensions and Financial Inclusion and the Secretary of State for Work and Pensions. After all evidence had been gathered, the Minister for Pensions and Financial Inclusion, the Secretary of State for Work and Pensions and the DWP Permanent Secretary were involved in discussions about the review recommendations prior to report publication. The review team have consulted with MaPS throughout the process.

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<sup>1</sup> Cabinet Office, (2019), *Tailored Reviews: Guidance on Reviews of Public Bodies*, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/802961/Tailored\\_Review\\_Guidance\\_on\\_public\\_bodies\\_-May-2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802961/Tailored_Review_Guidance_on_public_bodies_-May-2019.pdf)

# Overview of the Money and Pensions Service

## History and Background

Prior to the formation of MaPS, financial guidance and debt advice in the UK had been delivered by a combination of industry, third-sector organisations and by government.

Government provision of free-to-client financial guidance and debt advice was delivered through three services: Pension Wise, The Pensions Advisory Service (TPAS), and The Money Advice Service (MAS). Pension Wise was launched in April 2015 to ensure that consumers were able to make the most of the new pension freedoms which came into effect at that time. It provides guidance to people aged 50 years and over with defined contribution pension pots to help them understand their options for accessing their pensions savings. The requirement for government to deliver this guidance was legislated for in the Pensions Act 2015. MaPS oversee Pension Wise and provide guidance via online information and structured appointments. MaPS provide grants to Citizens Advice to deliver these appointments alongside its own internal delivery service.

TPAS existed as a non-statutory Executive Non Departmental Public Body sponsored by DWP and funded by a levy collected from the occupational pensions sector. TPAS' core service was to provide information and guidance on matters relating to private pensions. Since April 2015, TPAS has also been contracted to deliver the telephony channel for Pension Wise.

MAS was sponsored by the Financial Conduct Authority (FCA) and was set up originally as the Consumer Financial Education Body in 2010 to enhance people's understanding and knowledge of financial matters. The body was rebranded as MAS in 2011. It delivered a comprehensive consumer facing website, a helpline and web chat services for consumers seeking assistance with their finances. It worked with and commissioned partners to deliver financial capability programmes for adults and young people. In addition, MAS co-ordinated a cross-sector Financial Capability Strategy, which was designed to improve financial capability and to improve the effectiveness of interventions by third sector organisations. The Strategy complemented MAS's 'What Works' fund which was designed to fund and evaluate projects in order to identify initiatives that could be delivered effectively at scale. MAS's statutory remit was extended to include responsibility for the co-ordination of debt advice in 2012.

Pension Wise is funded by a pension guidance levy imposed on the financial services sector, which is collected by the FCA. Pensions Guidance, as delivered by TPAS was funded by Grant in Aid provided by DWP, recovered from the general levy on occupational pension schemes collected by The Pensions Regulator. MAS was

funded by two separate levies on the financial services sector; one for money guidance and one for debt advice. Both collected by the FCA.

## **Agency Merger**

The case for a merger of these various bodies was set out as part of the business case produced published by the DWP and HMT in April 2017<sup>2</sup>

*“The government has identified opportunities to improve its guidance offering so that it offers better outcomes for consumers and creates efficiencies; enabling money to be redirected to front line services or back to levy payers. Pension Wise, MAS and TPAS were designed and established at different times for different purposes and the government’s guidance provision is therefore a collection of unconnected initiatives. Most importantly, the three services have overlapping remits but different brands. Stakeholders noted that this has created confusion for consumers. Reform could bring about greater coordination across the government’s guidance provision, ensure duplication is removed, and prevent unnecessary overlap with externally provided guidance.”*

Initially, the Single Financial Guidance Body (SFGB) was established by the Financial Guidance and Claims Act 2018 and took on the delivery of the functions of the three legacy organisations described above: MAS, TPAS and Pension Wise. In April 2019 the SFGB was re-branded as The Money and Pensions Service. Two new functions were also introduced with the Financial Guidance and Claims Act 2018: one for Consumer Protection and another to advise the Government on the establishment of the debt respite scheme, now known as ‘the Breathing Space Scheme’. MaPS is responsible for support and guidance on money and pensions, debt advice in England and the Pensions Dashboard.

## **Statutory Objectives**

MaPS services are delivered directly or by partners, managed by contracts or grant funded arrangements. Pensions guidance is delivered by an in-house team; debt advice is delivered by external providers. The Pension Wise service is delivered both in-house and by external providers.

MaPS is sponsored by DWP and also engages closely with HM Treasury as the department with policy responsibility for financial capability, money guidance and debt advice. MaPS’ statutory functions are set out in the Financial Guidance and Claims Act 2018.

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<sup>2</sup> DWP and HMT, (2017), *Business Case for the Creation of a New Non-Departmental Public Body to Deliver Financial Guidance and Debt Advice*, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/624964/Creating\\_a\\_single\\_financial\\_guidance\\_body\\_-\\_response\\_to\\_the\\_consultation.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/624964/Creating_a_single_financial_guidance_body_-_response_to_the_consultation.pdf)

These are:

- **The pensions guidance function** - to provide to members of the public, free and impartial information and guidance on matters relating to occupational and personal pensions.
- **The debt advice function** - to provide members of the public in England, free and impartial information and advice on debt.
- **The money guidance function** - to provide to members of the public, free and impartial information and guidance designed to enhance people's understanding and knowledge of financial matters and their ability to manage their own financial affairs.
- **The consumer protection function** - to notify the FCA where, in the exercise of its other functions, the Single Financial Guidance Body becomes aware of practices carried out by FCA-regulated persons (within the meaning of section 139A of the Financial Services and Markets Act 2000) which it considers to be detrimental to consumers, and to consider the effect of unsolicited direct marketing on consumers of financial products and services and in particular:
  - a. from time to time publish an assessment of whether unsolicited direct marketing is, or may be, having a detrimental effect on consumers, and
  - b. advise the Secretary of State whether to make regulations under section 22 (unsolicited direct marketing: other consumer financial products etc.)
- **The strategic function** - to develop and co-ordinate a national strategy to improve;
  - a. the financial capability of members of the public
  - b. the ability of members of the public to manage debt and
  - c. the provision of financial education to children and young people

MaPS is also required to provide:

- advice and assistance to the Secretary of State on matters relating to the functions above; and
- advice to the Secretary of State on the establishment of a debt respite scheme.

MaPS is further required to develop and deliver a **Pensions Dashboard** that will allow people to access their pensions information securely and in one place. The Pensions Dashboards Programme (PDP) will develop the required infrastructure in order for others (including MaPS) to develop their own Pensions Dashboards. MaPS will support and enable the development of Pensions Dashboards through the PDP. MaPS will also develop their own customer facing Pensions Dashboard.



## **Operational Challenges**

In addition to the challenges of bringing together 3 disparate organisations, each with their own business processes, employment contracts and staff management systems, and a relocation to a new site, MaPS has had to contend with the twin challenges of a significant turnover of staff, particularly at senior level and the Covid pandemic. The current Executive Team was completed in April 2021 with the addition of a new Chief Finance Officer and Chief Risk Officer.

In 2019 MapS saw staff turnover rates of around 22% and exit interviews indicated that two key reasons were:

- Merging into a DWP Arms-Length Body
- Lack of stability at senior level with the implications of the leadership style of the previous CEO

As MaPS developed and embedded a one MaPS culture from the end of 2019 onwards, as well as stability at senior levels, they have seen turnover rates drop to around 10% (to note: the impact of Covid has no doubt impacted on these figures).

## **Previous Reviews**

Prior to this Departmental Review being carried out, MaPS had already sought external consultancy analysis of its functioning, in two separate review projects.

Between December 2019 and February 2020, the former head of The Pensions Regulator, Lesley Titcomb, conducted a wide-ranging organisational review. Her review delivered 31 recommendations for MaPS, including:

- Maximising the effectiveness of the Board
- Simplifying the organisational structure of MaPS
- Improving MaPS' business planning
- Developing a MaPS plan on property and location
- Having a clear plan for the Pensions Dashboards Programme

The consultancy firm Asesoria was then commissioned by MaPS to examine the functioning of its Board and governance arrangements, delivering its report in April 2021. Its recommendations focused on the relationship between the Non-Executive Directors and the Executive team and the wider functioning of the Board.

Both these exercises have helped MaPS to make improvements and prepare for this Departmental Review. The Titcomb Review in particular, has already resulted in a number of areas of weakness being addressed by MaPS, with appropriate organisational improvements adopted in response.

## Budget and Delivery

MaPS has approximately 420 staff (as of February 2021) and the total budget allocation for 2020/21 was £175.7m (of which £34.8m was temporary funding for additional debt advice provision resulting from the Covid-19 pandemic). MaPS is funded through DWP by two separate methods:

1. the **general levy** on occupational pension schemes which funds general pension guidance activities and one third of the Pensions Dashboard Programme; and
2. the **Financial Services Levy (FSL)**, set up under the Financial Services and Markets Act 2000 which funds Pension Wise, money guidance, debt advice and two thirds of the Pensions Dashboard Programme. DWP instructs the Financial Conduct Authority to collect the level of funding required from the FSL, which is subject to consultation by the FCA.

In response to the Covid-19 crisis and in anticipation of increased demand for its services, MaPS sought and was granted additional funding. A further £34.8 million was made available to MaPS, through a combination of the Financial Services Levy and HM Treasury reserves.

There have been concerns regarding MaPS' ability to budget and plan effectively and to deliver its services to meet consumer needs. This can be illustrated by figures from MaPS' May 2021 Quarterly Accountability Review data, which show:

<b>Debt Advice</b>	64.14% of YTD forecast achieved at end of March
<b>Money Guidance</b>	97.4% of YTD forecast achieved at end of March
<b>Pensions Freedoms</b>	91.7% of YTD forecast achieved at end of March
<b>Pensions Guidance</b>	111.6% of YTD forecast achieved at end of March

At the same time, full year actual expenditure was £140.4m, representing an underspend of £35.3m against a budget of £175.7m.

The missed target on debt advice in particular, can be explained to some extent by the impact of the Government furlough scheme, which appears to have had the effect of deferring people's need for debt advice. It is also important to note quality assurance is generally good and improving, with high customer satisfaction ratings from customers who have made use of services provided by MaPS.

The organisation that exists today has evolved significantly from where it was 12 months ago. A stable Executive team and CEO are now implementing the operational processes and ways of working necessary for MaPS to fulfil its potential.

**Nevertheless, to date the delivery of operational outcomes has fallen short of the expectations and needs of sponsoring departments. This is a consequence**

**of two broad issues that emerged during our evidence gathering with stakeholders:**

- **A disconnect between MaPS and the sponsoring departments**
- **A disconnect between MaPS' strategic focus and its operational delivery**

This has led to a situation where MaPS has been doing many things well, however the emphasis and prioritisation of some of their activities were misaligned with departmental expectations.

Aspects of these failings are already being addressed; however, these two broad issues are a recurring theme of the recommendations of this Departmental Review.

## 2. Recommendations

There are 19 recommendations as set out below. The following sections then give the background, specific steps-to-achieve and timescales for implementation.

### **Form & Function**

1. The Statutory Functions performed by MaPS are still required and are best delivered by MaPS; the organisation should therefore be retained.

### **Governance**

2. The composition of MaPS' Board should be reviewed with reference to the future needs of the organisation.
3. The Chair and CEO should consider how they can work more effectively together to ensure the Chair and NEDs maintain their Non-Executive roles in practice. Within that, the MaPS Board should review how it can best support the Executive team's implementation of MaPS' Corporate Plan.
4. MaPS should move towards less frequent Board meetings.
5. Covid has presented a unique challenge for MaPS in bringing together a new Executive team, whilst working remotely. To address this the CEO and the Executive team should look at how they can form a more cohesive team.

## **Accountability**

6. MaPS' CEO meetings with DWP and HMT Ministers should be reviewed regarding frequency, format and content.
7. MaPS should create and publish measurable stepping stones, setting out short- and medium-term goals against which MaPS' progress in meeting its statutory objectives can be measured. These stepping stones should also reflect how MaPS intends the long-term Financial Wellbeing Strategy to be realised.
8. MaPS should renew its focus on communication of its Corporate Plan to key stakeholders.

## **Efficacy**

9. MaPS should develop internal performance metrics, for example a dashboard to enable scrutiny of its performance. Consideration should be given to developing more than one version of this dashboard for different audiences, for example for Ministerial engagement and for the engagement of the wider financial services community.
10. Clarity and consensus on statutory objectives should be prioritised within MaPS' Corporate Plan and 3-year Corporate Strategy, ensuring alignment with DWP and HMT policy priorities.
11. Specific consideration should be given to the funding position of the Pensions Dashboard Programme, in consultation with DWP and HMT.
12. There should be a review of how MaPS engages with other government departments (OGDs) in order to identify policy areas with overlapping interests, to better support integrated policy development and to identify areas of expenditure where coordination could deliver efficiencies. MaPS, supported by the ALB team, should work to enhance synchronisation for all relevant policy areas in DWP, HMT and OGDs (particularly DHSE, DfE and MOD).
13. Customer Pulse insights, alongside effective leveraging of third-party resources should be incorporated by MaPS into a process of continuous review in support of Financial Wellbeing Strategy goals.
14. Within the constraints of the current legislative framework, consider a review of the current funding structure for MaPS and the impacts on its operational efficiency.

## **Efficiency**

15. Within the current framework of government policy objectives and MaPS' core delivery commitments, MaPS should explore how its strategic role can deliver efficiencies in the achievement of government policy objectives.
16. MaPS to review its staff training programmes to ensure skills are optimised for the organisation's future needs.
17. MaPS should implement the delivery of more efficient, accessible and impactful financial guidance and debt advice customer solutions.
18. MaPS should explore how Pension Wise can be evolved to achieve more efficient and effective outcomes, looking at service redesign where appropriate, including how MaPS works with pension providers themselves and how Pension Wise could dovetail more effectively with their customer communications, subject to satisfying the requirement for impartiality.
19. MaPS should develop a clear Places for Growth strategy, in consultation with DWP and HMT.

# 3. Form and Function

In conducting this review, consideration has been given as to whether the basic form and function of MaPS is still suitable and should be retained. As MaPS' functions have been set out in statute, the review has assumed that there is an on-going need for those to be performed by a State body and not whether those functions should continue.

Cabinet Office guidance sets out three tests for a Non Departmental Public Body to satisfy:

1. Is this a technical function, which needs external expertise to deliver?
2. Is this a function which needs to be, and be seen to be, delivered with absolute political impartiality?
3. Is this a function that needs to be delivered independently of ministers to establish facts and/or figures with integrity?

There is a demonstrable need for the continued provision of the public services currently delivered by MaPS, as defined in its statutory obligations.

The range of financial guidance and advice provided directly or indirectly by MaPS requires a high degree of specialist skills to deliver. Its predecessor organisations built up significant specialist knowledge of debt advice, money guidance and pension guidance. In addition, **MaPS operates in a complex and diverse financial ecosystem, providing a unique bridge between consumers, government departments, local government, third-sector charitable organisations, financial firms and utilities.** The current form of MaPS, as a Non Departmental Public Body continues to be the most suitable one to deliver its statutory requirements.

The organisation satisfies the first test set out above.

## Recommendation 1

**1. The Statutory Functions performed by MaPS are still required and are best delivered by MaPS: the organisation should therefore be retained.**

# 4. Governance

The Board has responsibility for the oversight of MaPS' strategic vision, strategic business plan, policies and services. It monitors performance and quality of service and holds the organisation to account. The Board also has the responsibility for setting and supporting the organisational values and ensuring MaPS conducts business to high ethical standards and in compliance with all applicable laws, rules and regulations.

All members of the MaPS Board are appointed as part of the public appointment process set out by the Cabinet Office, with particular regard to improving diversity and equality of opportunity.

The Board is comprised of eight members: two MaPS Executives (CEO, CFO), the Chair and five Non-Executive Directors (NEDs).

The Board currently meets 10 times a year at present, with additional shorter meetings when necessary. In 2021-21 it had oversight of matters including:

- UK Strategy for Financial Wellbeing
- MaPS' 3-Year Corporate Strategy and the 1-year Corporate Plan for delivery
- Oversight of the Pensions Dashboards Programme
- Approval of funding for key Governmental priorities including the 'Breathing Space' initiative
- Reviewing MaPS Consumer brands
- Agreeing a Risk Appetite Statement, Risk Management, Compliance and Assurance Frameworks
- Overseeing effective delivery of MaPS ongoing response to customer needs in light of the pandemic and
- Reviewing Culture, Equality and Diversity within the organisation.

The Board also has reporting into its sub-committees on Audit and Risk; Finance; Remuneration; Nominations; the Pensions Dashboard and Devolved Administrations. For reference, more information regarding the Board, including CVs of the NEDs and the functioning of the sub-committees is at Annex B.

**Through the course of 2019 and 2020, there was a clear need for the Non-Executive Directors and in particular the Chair to play a significant and influential role in supporting MaPS' Executive team.** The organisation was still finding its feet as a merged entity and with the additional challenges of losing its first Chief Executive and then struggling to establish a settled Executive team. This was then compounded by the Covid pandemic.

This has resulted in the NEDs, and in particular the Chair, acting at times in ways more commonly associated with the executive positions in an organisation. The role of the Chair and the NEDs should be one of setting a strategy, overseeing, approving, reviewing and supporting and not of leading and managing. Under the circumstances this has been understandable, however this was a contributor to the disconnect between MaPS' ambitions in areas such as the development of its Financial Strategy work and its ability to deliver on its key operational responsibilities.

MaPS' Corporate Plan has to be delivered by the Executive team, with support from the Board. This delivery responsibility has to inform the Corporate Plan; MaPS' goals and ambitions then also have to reflect the resources available to achieve them.

**MaPS' Board composition also lacks representation from any form of end-user voice.** It boasts a roster of highly capable and experienced individuals who understand about business leadership, governance, entrepreneurship, policy making and academia; what it lacks is anyone with any recent experience of frontline delivery of the services MaPS exists to provide. Participation of this kind would bring greater diversity of experience and perspective and could strengthen the Board's decision-making.

MaPS' Board currently meets 10 times a year, effectively every month with additional, usually shorter meetings, on an ad hoc basis. Hitherto, this has made sense for a nascent organisation facing significant operational issues. There is clearly a positive and cooperative relationship between the Executive team and the Board. MaPS now has a capable Executive team, whose responsibility it is to deliver the operational outcomes determined in the Corporate Strategy.

A move to less frequent meetings would give the MaPS Executive more freedom to operate autonomously, away from a constant cycle of preparing for and responding to Board meetings.



## Recommendations 2, 3 & 4

**2. The composition of MaPS' Board should be reviewed with reference to the future needs of the organisation** (*working with the DWP partnership team to add someone with front-line customer experience, for example in debt advice, to the Board in line with the scheduled cycle of appointments*).

**3. The Chair and CEO should consider how they can work more effectively together to ensure the Chair and NEDs maintain their Non-Executive roles in practice. Within that, the MaPS Board should review how it can best support the Executive team's implementation of MaPS' Corporate Plan.**

**4. MaPS should move towards less frequent Board meetings** (*moving to 8 meetings a year by December 2021*).

MaPS has been through a challenging period of disruption and evolution. Effort has been made to recruit key personnel within the business and to develop the systems and process they use to deliver their business plans.

In order for the various parts of this newly assembled machine to work effectively together, there needs to be strong team cohesion and collective buy-in to the business plan. The Executive team needs to understand their roles and their colleagues' responsibilities. Recent developments in the business, new systems, processes and ways of working have been implemented by a relatively new Executive team that has not been able to meet in person.

## Recommendation 5

**5. Covid has presented a unique challenge for MaPS in bringing together a new Executive team, whilst working remotely. To address this the CEO and the Executive team should look at how they can form a more cohesive team** (*at MaPS discretion, but factoring in more informal team building activity; face to face when practicable*).

# 5. Accountability

Cabinet Office Code of Good Practice guidance on relationships between Departments and Arms'-Length Bodies<sup>3</sup> focuses on four principles:

- Purpose
- Assurance
- Value
- Engagement

A memorandum between the DWP and HMT sets out a clear framework for the working relationship between the two Departments and MaPS. It defines departmental responsibilities and provides a statement of principles to guide relations to ensure the effective discharge of responsibilities.

**MaPS has a good working relationship with both the DWP and HMT.** All parties involved in these relationships show an understanding of the principles of good practice. The primary contact is managed through the DWP Arms'-Length Body partnership team, with frequent and regular engagement factored in.

MaPS engages more formally with DWP and HMT through Quarterly Accountability Review (QAR) meetings. These meetings enable the Departments to scrutinise and discuss with MaPS questions of operational delivery.

It is worth noting that although there has been some continuity of contacts in many areas, such as the HMT team and the DWP MaPS Partnership Team, there is evidence that the turnover of senior staff at MaPS has impacted their dealings with the DWP and HMT.

At the same time, **Ministers have expressed concern that they do not have suitable visibility of performance outputs and have been unable to adequately assess MaPS' contribution towards Departmental policy objectives.** This is partly a function of the frequency of meetings and partly due to the content of discussions.

There has been a disconnect between Ministers and MaPS' operational delivery and strategic direction, both of purpose and of accountability. Without a clear and precise understanding and appreciation of Ministerial expectations within MaPS, and without

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<sup>3</sup> Cabinet Office, February 2017, *Partnerships between departments and arm's-length bodies: Code of Good Practice*, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/594345/Partnerships\\_between\\_departments\\_and\\_arm\\_s\\_length\\_bodies-code\\_of\\_good\\_practice.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/594345/Partnerships_between_departments_and_arm_s_length_bodies-code_of_good_practice.pdf)

clear scrutinised communication of relevant performance outputs, expectations cannot be met.

Through the early part of 2021, steps have been taken to strengthen communication and the relationships between DWP, HMT and MaPS. A DWP and HMT-led teach-in was undertaken, to coach relevant personnel in MaPS on aspects of working in an ALB.

A 'ways of working' review was undertaken which identified specific steps which could be taken to further strengthen the working relationship between MaPS and their counterparts at DWP and HMT. With this work already in train no recommendation has therefore been made relating to the links between MaPS and the partnership team in DWP and policy leads within HMT.

The issue of Accountability is echoed by external stakeholders. Levy payers and stakeholders across the financial services ecosystem have expressed concern regarding scrutiny of MaPS' performance. MaPS is not directly accountable to levy payers and is not obliged to report its performance to them. Nevertheless, there is a clear rationale for ensuring that stakeholders have sight of MaPS' corporate plan and objectives and can assess MaPS' performance based on some agreed metrics.

This goes beyond accountability arguments. MaPS has done good work in bringing external stakeholders into its Financial Wellbeing Strategy. Its challenge groups were an effective mechanism for outsourcing some of its strategic thinking and for strengthening buy-in to its objectives from across the community. MaPS has a very capable Propositions, Insights and External Engagement function and has developed good relationships across the stakeholder community. **By responding to the accountability interests of stakeholders in general and levy payers in particular, MaPS will strengthen their levels of support.**

## Recommendations 6,7 & 8

**6. MaPS' CEO meetings with DWP and HMT Ministers should be reviewed with regard to frequency and content** (*DWP partnership team to liaise with relevant Ministers' offices and MaPS to agree new approach by October 2021*).

**7. MaPS should create and publish measurable stepping stones, setting out short and medium-term goals against which MaPS' progress in meeting its statutory objectives can be measured. These stepping stones should also reflect how MaPS intends the long-term Financial Wellbeing Strategy to be realised** (*MaPS to develop a 'journey plan' by March 2022 with milestones identified and agreed with key stakeholders*).

**8. MaPS should renew its focus on communication of its Corporate Plan to key stakeholders** (*MaPS to develop an updated communications plan by November 2021*).

## 6. Efficacy

MaPS' Statutory objectives, as defined in the Financial Guidance and Claims Act 2018, are extremely broad. This is reflected in the Financial Wellbeing Strategy paper produced by MaPS in 2020, which sets out the scale of the financial capability challenges faced in the UK and the long term goals which should be worked towards in addressing those goals. The phrase 'boiling the ocean' was used more than once by stakeholders in describing the role MaPS is required to perform.

This illustrates the importance of the existence of MaPS, however it also presents a challenge of prioritisation and definition. In MaPS' Corporate Plan 2020/21<sup>4</sup> it identified a set of Corporate Key Performance Indicators and 'key deliverables'. This was a good start but needs to be developed further.

MaPS has to work within its budget and be able to justify every pound it spends. Within the terms of the Act and in the discharge of its statutory functions, it is essential therefore that there is a close alignment between MaPS and the DWP and HMT in how MaPS interprets, prioritises and works towards the delivery of its

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<sup>4</sup> Money and Pensions Service, *Corporate Plan 2020/21*, <https://moneyandpensionservice.org.uk/wp-content/uploads/2020/06/Money-and-Pensions-Service-Corporate-Plan-2020-2021-Covid19.pdf>

Statutory Objectives. It is clear there has been some misalignment in this regard, which has led to unfulfilled expectations in MaPS' performance over the first two years of its operations.

In order to avoid such outcomes occurring in the future, **it is essential there is a clear and measurable agreement between MaPS, DWP and HMT over how it prioritises its operations within the terms of its statutory objectives**. MaPS' Corporate Plan should contain explicit outcomes-based KPIs aligned with DWP and HMT policy priorities.

As well as delivering on its immediate priorities relating to debt, money and pensions guidance, MaPS has an important role to play in navigating a path towards the long term goals set out in its Financial Wellbeing Strategy. MaPS should **set out a journey plan which defines clearly how it intends to bridge the gap between its short-term Corporate Plan objectives and its long-term Financial Wellbeing strategy goals**. Consistent structured engagement should be combined with clarity of purpose with regard to objectives.

## Recommendations 9,10

**9. MaPS should develop internal performance metrics, for example a dashboard to enable scrutiny of its performance. Consideration should be given to developing more than one version of this dashboard for different audiences, for example for Ministerial engagement and for the engagement of the wider financial services community** (*MaPS to propose a new approach on Management Information sharing for discussion with DWP/HMT by December 2021*).

**10. Clarity and consensus on statutory objectives should be prioritised within MaPS' Corporate Plan, and 3-year Corporate Strategy, ensuring alignment with DWP and HMT policy priorities** (*MaPS to work with DWP, HMT and other key stakeholders in re-evaluating its longer term strategic goals – by February 2022*).

## Pensions Dashboards Governance

The Pensions Dashboards Programme (PDP) is another area of MaPS' operations that has had to contend with a change of senior personnel. A Governance Framework has now been established to ensure appropriate levels of responsibility, accountability, engagement and transparency across this challenging project.

The Programme Board reports to the MaPS Board, via a dedicated PDP sub-committee. Separate channels of engagement have been established across government departments and regulators via a Portfolio Committee and the wider

financial services community through the Steering Group. Subsidiary working groups have been established to focus on specific aspects of operational delivery.

This Review has found the governance structures now in place are consistent with the delivery objectives of the Pensions Dashboards Programme.

The two key challenges for delivery of the PDP now lie in funding and in industry engagement and preparedness.

On communication, a new Senior Level Head of Communications has been recruited to beef up their approach. They are moving from general information sharing to a more targeted approach which is focused on pensions schemes' readiness for the roll out of the Dashboard programme. Changes are being made to the website to make it more of a resource hub, containing reference materials geared towards the needs of different segmented audiences.

The composition of the Steering Group is an asset to the PDP and its communication challenge. The individuals on the Group have been well chosen. In addition to the expertise and insight they can bring to the governance of the programme they are all thought-leaders in their respective communities. They are able to bring significant influence to bear in promoting the Dashboards and in encouraging the pensions community to prepare in a timely manner for the roll out of the programme.

The PDP is a complex project; there are many ways in which it could fail. The funding of this development stage of the project is critical. Compromises on development costs could prove a false economy if they subsequently lead to the project failing to satisfy the expectations of its architects and the needs of pension savers. Costs are expected to increase significantly over the immediate future. This has budget implications for MaPS as a whole. In the longer term, it is not clear what the steady state maintenance costs of the Pensions Dashboards Programme might look like.

At present, the cost of the PDP is met from within MaPS' overall Budget. This means any future escalation of costs and spending requirements would necessitate a compensating reduction in spending in other areas of MaPS' operations.

**It is essential there is clarity and alignment across MaPS, the DWP and HMT on what the spending needs and priorities are in respect of the PDP and MaPS' wider obligations and how they should be met.** In the absence of such understanding, there is a high risk of disappointed expectations in some aspect of MaPS' performance in the years ahead. This will need to be factored into the spending review being undertaken in the Autumn of 2021.

## Recommendation 11

**11. Specific consideration should be given to the funding position of the Pensions Dashboards Programme, in consultation with DWP and HMT**  
*(DWP Partnership Team to lead on joint activity to agree approach - by January 2022).*

### Co-ordinating Government and MaPS

MaPS' statutory objectives affect and are affected by government departments and activities beyond just the DWP and HMT. This is relevant not just to MaPS' strategic function but also to how it can best deliver on its debt advice and its money and pension guidance functions.

MaPS' responsibilities overlap with diverse other government functions. MaPS' work impacts on people's mental and physical wellbeing, as well as on their financial position. Their guidance work intersects with education considerations. Social care and welfare are impacted by people's financial capacity. In many of these areas, it is not necessarily appropriate for MaPS to take a lead, however in the interests of efficiency, it is desirable for MaPS to have suitable levels of information and engagement across those other departments.

**At present there are only limited structural mechanisms to enable MaPS to have sight of departmental policies, initiatives and decision-making that could impact on its activities.** Similarly, MaPS' developing data warehouse and data scientist analysis work can be of benefit outside the organisation. MaPS is able to feed back into departments insights and information relevant to their operations; at present this is not enabled by any formal structural mechanism.

MaPS interaction with stakeholders needs to have more of a focus on the financial perspective. MaPS funds external stakeholders through its commissioning processes and this overlaps with other departments expenditure with those same external stakeholders. These activities should be subject to a coordination process. This would ensure opportunities for efficiencies in contract and relationship management are not missed.

## Recommendation 12

**12. There should be a review of how MaPS engages with other government departments (OGDs) in order to identify policy areas with overlapping interests, to better support integrated policy development and to identify areas of expenditure where coordination could deliver efficiencies. MaPS, supported by the ALB team, should work to enhance synchronisation for all relevant policy areas in DWP, HMT and OGDs (particularly DHSC, DfE and MoD). (DWP to co-ordinate with MaPS and other areas of government to strengthen links)**

## Continuous Improvement

Through the first half of 2021, MaPS has instituted a customer research and feedback framework, called Customer Pulse. This research programme looks at quality of service Key Performance Indicators and at customer outcomes. This includes looking at the specific actions taken by customers following the use of MaPS' services. This is an essential element of continuous improvement, enabling MaPS to assess the impact of its services.

**MaPS has an important role to play in sharing knowledge and insights across its community of stakeholders.** As well as its own internal research and analysis programmes, MaPS also identifies, collates and reviews research material published by others.

This research and these insights can support the delivery of the Financial Wellbeing Strategy goals. MaPS' external affairs functions engage effectively with stakeholders on the whole. Many of these stakeholders welcome the research and insights produced by MaPS. These stakeholders can play an active role in the delivery of the Financial Wellbeing Strategy goals, for example through their public affairs activities. In some cases, they have expressed frustration at not getting more output from MaPS to help them in making the most efficient possible use of their resources.

Elsewhere, ALBs of the DWP have gone as far as setting up independent research units (for example the NEST Insights unit). MaPS doesn't need to go this far, however MaPS is doing good work on its research. This research can be leveraged by taking advantage of the resources available outside MaPS from third parties.



## Recommendation 13

**13. Customer Pulse insights, alongside effective leveraging of third-party resources should be incorporated by MaPS into a process of continuous review in support of Financial Wellbeing Strategy goals** *(MaPS to develop an approach, in consultation with DWP, to bring other relevant organisations together to share insights and identify where resources could be shared to achieve common goals. To include possible links to DWP front-line delivery. By July 2022).*

## Funding

**MaPS' funding framework is a relatively complex structure, which was inherited from its legacy organisations.** It receives funding from occupational pension schemes via the DWP, (the general pensions levy) which funds pension guidance and one third of the cost of the development of the pensions dashboard. The financial services levy collected by the FCA from regulated financial services firms and remitted via the Treasury pays for debt advice, money guidance, pension wise and two thirds of the cost of the pension dashboards. This funding then flows from HMT into MaPS via the DWP. MaPS funding requirements are included in the DWPs overall requirements and are drawn down from DWP in the form of Grant Aid. MaPS has some scope to flex its funding between the different channels of its activities. However, this is limited to the reprioritising of up to 10% of allocated funding across budget areas funded by the financial services levy and within this, there are still restrictions. See Annex C for an illustration of the funding structure of MaPS. There is no flexibility with respect to the general pensions levy.

MaPS is looking to evolve its services, in order to be more effective and more efficient. For example, it is finding an increasing need to triage customers between Pension Wise and more general pension guidance. Alongside the pension freedom reforms introduced in 2015 was a government commitment to make available free, impartial pension guidance to support pension investors in withdrawing money from their retirement savings. The Pension Wise service is delivered in part by MaPS and in part by external partners. Although the Pension Wise script has not been significantly overhauled since it was introduced, Pension Wise is widely regarded as a success, with the principal criticism being that it doesn't currently reach enough people.

A forthcoming policy intervention, referred to as a 'stronger nudge' is being introduced, which it is hoped will result in increased take-up of Pension Wise. It is not currently clear how much increased demand will be stimulated by this intervention, or what the resource implications will be for MaPS but it is hoped that as a result of the nudge, more people will benefit from Pension Wise.

MaPS is introducing a new brand: 'Money Helper', which is being rolled out as a catch-all identity for its guidance and advice services; in the short term the Pension Wise brand will be retained but in the longer term it is expected this too will be folded into the Money Helper brand.

There is an underlying principle regarding the funding of MaPS of 'the polluter pays'; the organisations whose financial relationships with their customers give rise to the need for MaPS' services in the first place, are the ones who should pay for its activities. In the realm of debt advice in particular, there are organisations such as utilities and local government, that also benefit from MaPS' services but who are currently excluded from contributing levy payments within the current legislative framework.

MaPS' funding architecture was transposed fairly directly from the levy arrangements it inherited from its legacy organisations. Organisationally and operationally, MaPS is now bedding in. It is also now 7 years since the pension freedoms were first announced and over 6 years since Pension Wise was first introduced. **It may be a case of 'if it ain't broke, don't fix it', it may also be the case that a better funding architecture could be designed which would help MaPS in meeting its statutory objectives.** Currently the funding available does not impact the MaPS delivery of its services.

It lies beyond the remit of this review to recommend a specific restructuring to the levy and funding arrangements for MaPS. However, in light of the complex funding structure MaPS inherited, and the various developments that have occurred over recent years, it would be **sensible to now review these funding arrangements to ensure they strike the best possible balance across the diverse interests involved.**

#### **Recommendation 14**

**14. Within the constraints of the current legislative framework, consider a review of the current funding structure for MaPS and the impacts on its operational efficiency (for DWP and HMT to jointly consider).**

# 7. Efficiency

## MaPS Strategic Functions

MaPS has a statutory responsibility to develop and co-ordinate a national strategy to improve the financial capability of members of the public.

MaPS will never have the resources or the reach to deliver itself the outcomes identified in its Financial Wellbeing Strategy paper. It is heavily dependent on third parties across the financial system to help it meet these goals. For their part, many external stakeholders such as financial services firms are willing and able to contribute to the achievement of MaPS' goals. By working effectively in a coordinating role, MaPS can use its national strategy work to help deliver government policy objectives.

MaPS also has competing and more immediate priorities to deliver debt advice, money guidance and pensions guidance, to deliver Pension Wise and to deliver the Pensions Dashboard Programme. It is understandable that these more urgent responsibilities should be met and that any strategic work should not be seen to be detracting from these priorities.

MaPS can and should continue to commit resources to its national strategy work. In order to ensure that such work is subject to appropriate accountability, MaPS should **develop a business case, setting out a clear economic rationale for the financial benefits of its national strategy.**

### Recommendation 15

**15. Within the current framework of government policy objectives and MaPS' core delivery commitments, MaPS should explore how its strategic role can deliver efficiencies in the achievement of government policy objectives. (MaPS to develop business case by April 2022).**

### Organisation

MaPS' Executive team has done a lot of good work over the past 18 months, building on the systems and processes inherited from the legacy organisations. In many cases this has necessitated the complete development of new processes. These developments will all contribute to the organisation operating more efficiently.

On **Risk Management** MaPS has implemented a new framework, comprising 3 pillars: A Risk Management Framework, a Compliance Framework and an Assurance Framework. The development of this Risk Framework is critical for MaPS to effectively meet its statutory obligations.

MaPS' Risk Management Framework describes a set of processes and methodologies that support MaPS in identifying, measuring, monitoring and reporting on risks to the organisation achieving its objectives. As such it is aligned to the size, scale and complexity of MaPS and recognises MaPS' status as an Arms-Length Body of the UK Government. The Framework informs the development of the risk management infrastructure and provides a sound basis for more informed decision-making across MaPS' operations based on the Three Lines of Defence model and in conjunction with a Risk Appetite Statement.

The **Three Lines of Defence** model provides a simple and effective way to help delegate and coordinate risk management roles and responsibilities within and across the organisation.

**The Compliance Framework** sets out what rules and regulations MaPS needs to be compliant with primarily in the spheres of financial advice and guidance and how MaPS should fulfil these obligations. It recognises that MaPS is not regulated to provide money or pensions advice and therefore the organisation must have policies and controls in place to ensure it does not accidentally or intentionally offer such advice. It also recognises that MaPS has a responsibility to monitor adherence to the MaPS Standards, agreed with the Financial Conduct Authority, and sets out how it will do this.

**The Assurance Framework** is designed to provide assurance to the Executive and Non-Executive members of the Board, the Accounting Officer, key external stakeholders, the Director of Risk, Compliance and Assurance and other Executive officers of MaPS that the organisation has in place effective risk management procedures, robust and comprehensive controls plus a positive culture with regards to compliance. It supports the Accounting Officer in taking responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and more generally as an evidence base for statements contained in the annual report and accounts. The framework documents arrangements whereby management in all Three Lines of Defence test and check that policies are in place, controls are working, conditions of agreements and contracts are being met and the organisation is providing services of sufficient quality to meet its obligations and broader policy aims. It acknowledges that MaPS outsources to third party delivery partners many of its services and details how assurance should be obtained in these circumstances.

The assurance framework dovetails with risk management and compliance frameworks to report on whether they are operating effectively. It operates according to the Three Lines of Defence model and is aligned to the Board's Risk Appetite to ensure that assurances obtained are proportionate to the Board's appetite for risk.

## **Finance and Budgeting**

**MaPS has a relatively newly appointed Chief Financial Officer.** A new management structure within Finance has been introduced, with 3 new Directors covering commercial relationships, planning, governance.

A key focus for the Finance team is on a practical working relationship with HR; the payroll of £28 million is largest material cost for the organisation and is a key consideration in delivering efficiency.

## **HR, People and Culture**

Through 2020, MaPS introduced a number of significant changes to its HR management. It has **introduced a new HR management system (BOB)** and going forwards it expects to manage its workforce more flexibly and dynamically.

It has introduced one new set of policies across the organisation, replacing the legacy processes and policies it inherited. These cover a spectrum of HR management activities, such as Disciplinary procedures, Recruitment policy, and Performance Management. MaPS has also introduced a Cultural initiative to promote personal responsibility across the organisation. This includes a Performance Development programme with workshops and training modules. Psychometric testing has been introduced as part of the recruitment process, which over time should lead to better recruitment outcomes and teams within the organisation working together more effectively.

MaPS has run Risk Management training and for the Executive Leadership Team Budget Management training. They have completed a learning survey across the organisation, which will help to inform future training and skills needs.

With regard to the gender pay gap, MaPS publishes its Gender Pay Gap Report on its website (most recently in March 2021). The analysis shows that they have a balanced gender profile at all levels of the organisation with a small pay gap in favour of women.

In the recent recruitment to permanent senior positions, MaPS worked closely with the recruiting partners to ensure they had diverse candidate pools and were able to increase diversity at the senior level. They are in a position to extend their pay gap analysis next year to include ethnicity and disability. They have also run listening

events on racial inequality for all colleagues during 2020. They run a calendar of inclusion events throughout the year.<sup>5</sup>

MaPS has adopted an anonymised process for most of the recruitment in which CVs are redacted of personal details which are only shared at interview stage. They also ensure that interview panels are mixed gender and wherever possible have representation from one of their black and ethnic minority colleagues.

**Over time these changes are expected to lead to a slimmed down senior team, with fewer people managing and more people doing and a culture of colleagues taking responsibility. This includes reducing the number of Executive team members reporting directly to the CEO.**

**MaPS has done a lot of work over the past 18 months to develop a stronger corporate culture** and to embed it across the organisation. A new HR management system has been introduced. Performance development workshops and training modules have been introduced. A risk management framework has been developed and implemented. There is a clear emphasis on personal responsibility and on managers 'owning' risk within their operations.

The Finance team is encouraging senior leaders within the organisation to become owners of contracts and to take responsibility for those relationships with external third parties.

The Executive team are still relatively new, as a team. An important dimension of MaPS' future growth and development rests with the Executive team's ability to own and deliver the Corporate Plan. It is also dependent on the Executive team and their Senior Leadership team below them all working effectively. **MaPS needs to build on the foundations laid by its HR team and ensure that going forwards, it has the right skills and capabilities to meet its operational objectives.**

## Recommendation 16

**16. MaPS to review its staff training programmes to ensure skills are optimised for the organisation's future needs** (*MaPS to develop a staff development plan by March 2022 with a clear staff offer that meets the organisation's goals*).

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<sup>5</sup> <https://moneyandpensionsservice.org.uk/wp-content/uploads/2021/03/equality-information-march-2021.pdf>

<https://moneyandpensionsservice.org.uk/wp-content/uploads/2021/03/equality-diversity-inclusion-strategic-objectives-march-2021.pdf>

## Service Delivery

As part of approval of the 2017 Business Case for creation of a new non-departmental public body, MaPS was to achieve steady state savings that would outweigh the one-off transitional costs for the service's creation.

The efficiencies and savings in the business case for the creation of the SFGB were based on 2016/17 estimated costs of the 3 legacy organisations and on assumptions around size and location of the SFGB. Since the formulation of the SFGB business case, the scale and scope of MaPS operations have changed significantly by the fact that MaPS has experienced growth. It therefore now has a larger budget and more staff, which make comparisons on a like-for-like basis unachievable.

However, MaPS does recognise the importance of demonstrating ongoing efficiency and value for money and has sought to address this by demonstrating cost base impacts since the establishment of SFGB in key areas such as Senior Leadership costs, Staffing costs and Accommodation costs versus assumptions in the original business case. This shows that both Senior Leadership and accommodation costs are down when compared with the legacy organisations, whilst overall staff (excluding senior leadership) and support costs have increased which is reflective of the scaling of MaPS operations since the creation of the original business case.

MaPS receives over 45 million hits to its website every year, and directly or indirectly, delivers debt, money and pensions help to millions of people. It is launching a new Money Helper brand, which will be simpler for consumers to navigate and will cut down on duplications across its delivery activities. The rationalisation of its activities is also helping to improve its reach by making it simpler for partner organisations to refer people into MaPS.

**Some areas of MaPS' service delivery are relatively expensive and inflexible in their delivery, particularly when delivered face to face. New digital tools, ways of working, customer behaviours and expectations have emerged over the past 18 months that present opportunities for innovation.**

MaPS has centralised its data management function, putting in place a data management strategy and in due course a standardised Customer Relationship Management system. This will lead to improved data quality and management, operational efficiencies, better consumer insights and the ability to feed those insights back out to stakeholders and commissioning partners.

**MaPS is in the process of implementing a new Target Operating Model** which is expected to deliver significant efficiency savings across its front-line activities. This is a three-year programme of work, so some savings and improvements will take time to emerge. This work consists of four key strands:

1. Recommissioning of debt advice
2. Re-focus of money guidance sessions
3. Optimisation of pension freedoms and guidance services
4. Recommissioning of pensions freedoms

On **debt advice**, MaPS is moving from grant agreements to contracts, which will increase MaPS' ability to run services on a commercial basis. It is strengthening the Management Information it receives from its partner organisations to support performance management and service improvement. It is looking to shift the emphasis of delivery, with more debt advice being delivered through digital channels and less via face-to-face contact.

On **money guidance**, MaPS is looking to recommission services, with a possible rationalisation of topics and depth of services delivered.

On **pension freedoms and pension guidance**, MaPS is looking to improve customer triage and increase the delivery of guidance sessions. They are also looking at redesigning the pension freedoms guidance sessions, which have had the same script in place since 2015.

It is clear **MaPS has significant programme improvement initiatives in train**: Better data management, more commercial relationships with commissioning partners, the new Money Helper brand, cleaner and simpler customer journeys; all these changes will deliver more effective and efficient outcomes over time, though some of these will take more than a year to deliver their benefits. One of the recurring concerns expressed about MaPS' services has been that what they do is good, particularly on the Pension Wise service but in other areas too; the problem has been not reaching enough people.

This focus on improved outcomes is essential in delivering good value from MaPS' operations. Face to face debt advice solutions cost markedly more than telephone based sessions, with a blended solution costing somewhere between the two. There is therefore a challenge for MaPS in achieving efficiency savings without reducing the efficacy of the services delivered and the quality of customer outcomes. **MaPS believe that the various improvement processes they have identified, if implemented, can deliver substantial cost savings.**



## Recommendation 17

**17. MaPS should implement the delivery of more efficient, accessible and impactful financial guidance and debt advice customer solutions** *(MaPS to develop an options paper for its Board by March 2022, based on a wide-ranging review of alternative delivery approaches/tools).*

On pension freedoms and the Pension Wise service, the world has moved on since the freedoms were first announced in 2014. To date, there has been very little evidence of the Freedoms reforms being abused or of unintended consequences emerging. The **main criticism has been a lack of take up** of Pension Wise by people accessing their pensions. The ‘stronger nudge’ intervention should serve to increase take-up of the Pension Wise service which could have resource implications for MaPS.

There remain challenges in how pension providers hand off customers to the Pension Wise service. Appointment booking mistakes and delays can disrupt the customer journey and undermine acceptance of the service. This can create a risk to customers from fraudsters, who use digital marketing strategies to attract victims and who can offer speedy resolutions that may not be in the customer’s best interests.

Pension providers often deliver a spectrum of information and guidance services themselves, as well as regulated advice in some cases. In some cases, these services duplicate or overlap with the guidance provided by Pension Wise.

Retention of the impartiality of Pension Wise is essential for trust, credibility and to act as a barrier to commercial bias in the provision of information and guidance to customers. Within that constraint, there **may be scope for MaPS to develop new forms of Pension Wise guidance that achieve more efficient and effective outcomes.**

## Recommendation 18

**18. MaPS should explore how Pension Wise can be evolved to achieve more efficient and effective outcomes, looking at service redesign where appropriate, including how MaPS works with pension providers themselves and how Pension Wise could dovetail more effectively with their customer communications, subject to satisfying the requirement for impartiality. (MaPS to develop an options paper for its Board and the DWP Partnership Team by October 2022, based on research into the practicalities of using commercial organisations to deliver Pension Wise).**

## Places for Growth

MaPS has been given guidance by the DWP on the Places for Growth agenda, with March 2024 set as the objective for implementation of this strategy. However, at present MaPS do not have a clear protocol or timeline on implementing this agenda.

## Recommendation 19

**19. MaPS should develop a clear Places for Growth strategy, in consultation with DWP and HMT (by December 2021).**

## 8. Next Steps

The review team have worked closely with MaPS, the Department for Work and Pensions and HMT. All the recommendations of this review have been accepted by MaPS, the DWP and HMT and been approved by the Minister for Pensions and Financial Inclusion and Secretary of State for Work and Pensions.

The DWP partnership team will work with MaPS on delivery of the overall recommendations and the related steps-to achieve. Progress will be reviewed in the Spring of 2022.