



HM Treasury



Department
for Work &
Pensions

Creating a single financial guidance body:

response to the consultation

July 2017



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Executive summary

The government is committed to making sure that good quality, impartial financial guidance and debt advice is available to everyone. These services are provided by a broad range of organisations including financial services firms and the charity sector, but there are gaps in coverage. The government has a role to play in filling these gaps to ensure that people can access the financial guidance and debt advice they need to help them make informed decisions on financial matters.

Publicly-funded financial guidance and debt advice is currently provided by the Money Advice Service (MAS), the Pensions Advisory Service (TPAS) and the Department for Work and Pensions' (DWP) Pension Wise guidance. These services are funded via levies on the financial services industry and pension schemes.

Since October 2015, the government has consulted three times on restructuring the public financial guidance landscape, and whether and how to improve the provision of public financial guidance and debt advice. The last consultation – the 'Public financial guidance review: consultation on a single body' – closed on 13 February 2017. This consultation invited views on proposals to replace the three existing service providers with a new single financial guidance body and set out three principles for weighing up the proposal:

Consumer focused – allowing the delivery model to adapt to people's changing needs and prioritise services, where appropriate, for particular groups. These groups include those approaching retirement and those most in need of support to improve their financial resilience.

Value for money – ensuring the service is efficient, avoids unnecessary duplication and delivers value for money.

Sustainability – enabling the single financial guidance body to keep pace with changes to financial services and pensions and technological advances.

The government received 98 responses to the consultation; the majority were supportive of the creation of the single financial guidance body. This response sets out the views, evidence and information gathered as a result of the consultation and the government's proposed course of action.

Summary of key proposals

- the establishment of a new single financial guidance body to replace MAS, TPAS and Pension Wise
- the provision of funding to the devolved authorities for the cost of their locally commissioned debt advice
- the single financial guidance body will have four core functions:
 - the provision of debt advice in England
 - the provision of money guidance across the UK
 - the provision of pensions guidance across the UK

- to work with others in the financial services industry, the devolved administrations, and the public and voluntary sectors to support the coordination and development of a national strategy in three key areas:
 - to improve people’s financial capability
 - to improve the ability of members of the public to manage debt
 - to improve the provision of financial education to children and young people
- provision of debt advice in Scotland, Wales and Northern Ireland will be delivered through the devolved authorities and funded by a levy on the financial services industry
- the single financial guidance body will be funded by levies on the financial services industry and pension schemes
- the single financial guidance body will be a non-departmental public body sponsored by DWP
- the single financial guidance body will be accountable to Parliament and, in line with the government’s transformation programme, a review of the body will be conducted at least once every Parliament to ensure it remains fit for purpose, is well-governed and is properly accountable for what it does

Structure of this document

Introduction (Chapter 1)

Chapter 1 sets out the background to the public financial guidance review. It outlines the existing public financial guidance landscape and the consultations on restructuring public financial guidance. It sets out the importance of government continuing to sponsor financial guidance and outlines the challenges that lie ahead.

The new delivery model for public financial guidance (Chapter 2)

Chapter 2 sets out the government’s plans for a single financial guidance body. It outlines: the functions of the new body; how the governance and funding arrangements will work; and, how it will interact with the devolved authorities.

Government response to the Public financial guidance review: consultation on a single body (Chapter 3)

Chapter 3 summarises the replies received to the ‘Public financial guidance review: consultation on a single body’ and contains the government’s response.

Annexes

Annex A lists the organisations who responded to the consultation.

1 Introduction

Policy background

1.1 Levels of financial capability in the United Kingdom are low and many people face significant challenges when it comes to managing their money, avoiding debt, building up savings in the short term, and balancing this with saving money for retirement. The government is committed to ensuring that people have access to the information and guidance they need to make effective financial decisions throughout their lives. Against a backdrop of broader reforms and initiatives, such as Automatic Enrolment, the Financial Advice Market Review (FAMR) and the pensions freedoms, there has been a significant increase in people looking for high-quality, impartial financial guidance and debt advice. Currently, there are three organisations providing this financial guidance – MAS, TPAS and Pension Wise, each offering high quality support – which the government believes would better benefit members of the public by being accessible in one place.

1.2 MAS helps people manage their money both directly and in partnership with other organisations, by providing guides to help people improve their finances, and tools and calculators to help people keep track and plan ahead, including for retirement. This includes helping people avoid getting into unmanageable debt but, for those who do, MAS funds the provision of debt advice, which is delivered by partners across the UK. MAS also supports the work of a wide range of organisations across the public, private and voluntary sectors to develop a Financial Capability Strategy for the UK which looks to address not just people's skills and knowledge around money management but also the attitudes and motivations that hold them back, and their access to products and services. MAS is an independent body created by Parliament overseen by the Financial Conduct Authority and HM Treasury.

1.3 TPAS delivers impartial information, guidance and planning tools on all matters relating to occupational and personal pensions, including: automatic enrolment; helping people understand their pension schemes and rights; helping people resolve problems they may have with their pension schemes; and planning for retirement. TPAS is a non-departmental public body and a company limited by guarantee, sponsored by DWP.

1.4 Pension Wise is an impartial guidance service delivered in partnership with other organisations, specifically targeted at people aged 50 and over who have defined contribution pension savings. It provides guidance on the options open to these people as a result of the pension freedoms introduced by the government in April 2015. Pension Wise is the responsibility of DWP.

1.5 There is duplication of provision across the three services, which is confusing for members of the public. In addition, inefficiencies, including duplication with the private and charitable sectors, has led to criticism from stakeholders and the media.

The 'Public financial guidance review'

1.6 Since October 2015, the government has consulted three times on restructuring the public financial guidance landscape.

1.7 In October 2015, the government launched the 'Public financial guidance: consultation'¹ to look at the structure of, and services provided, by MAS, TPAS and Pension Wise. The consultation sought views on how to structure, target, deliver and fund public financial guidance to ensure people could receive the information they need to make effective financial decisions. In particular, the government wanted to understand the limitations on availability of debt advice and how MAS's functions might be better delivered in future, especially to meet the needs of people in problem debt. In addition, it sought to identify how to deliver a more joined up Pension Wise and TPAS service. Respondents suggested guidance needed to be offered via different channels to meet the needs of a range of vulnerable people and supported the polluter pays funding base. They also suggested that the public is confused by the overlap across the three existing service providers and recommended better co-ordination with the financial services industry.

1.8 The government responded at Budget 2016, proposing a new delivery model for the provision of public financial guidance. The proposal was set out in the 'Public financial guidance review: proposal for consultation'². The consultation sought views on: replacing MAS with a new, slimmed-down, money guidance body focused on identifying gaps in the financial guidance market and commissioning targeted debt advice, money guidance and financial capability projects; and replacing TPAS and Pension Wise with a new pensions guidance body that would continue to deliver information and guidance on occupational and personal pensions, including the pension freedoms. However, respondents to this consultation, including from industry and consumer groups, raised questions about how these two bodies would work together effectively and whether a single body could provide a more sustainable service.

1.9 The government listened to these views and decided that a single body would be better able to respond to the needs of the public generally. As a consequence, in December 2016, the government published the 'Public financial guidance review: consultation on a single body'³. This outlined plans to establish the single financial guidance body, replacing MAS, TPAS and Pension Wise, bringing together pensions guidance, money guidance and debt advice, and providing access to good quality, impartial financial guidance from a single source.

1.10 In addition, it was proposed the body would have a strategic function, supporting and co-ordinating the creation of a UK wide strategy to improve the financial capability of the public, reduce problem debt and raise debt management skills, and enable the better co-ordination of financial education initiatives. The single financial guidance body will not fund regulated financial advice, with the exception of debt advice, but would signpost consumers to other providers to ensure that consumers' guidance and advice needs could be met.

1.11 The consultation closed on 13 February 2017. A wide range of responses were received and HM Treasury and DWP conducted a series of workshops and in-depth discussions with several interested parties to gain further insight. The government received 98 written responses, including responses from trade organisations, charities, and the financial services and pensions industries. The majority of these responses were supportive of the government's plan to create the single financial guidance body; clearly expressed a wish to see the body focus on filling gaps in the current financial guidance provision; and wanted a single body with some customer-facing activities.

¹ 'Consultation: public financial guidance', HM Treasury, October 2015, available at: <https://www.gov.uk/government/consultations/consultation-public-financial-guidance>

² 'Public financial guidance review: proposal for consultation', HM Treasury, March 2016, available at: <https://www.gov.uk/government/consultations/public-financial-guidance-review-proposal-for-consultation>

³ 'Public financial guidance review: consultation on a single body', HM Treasury, December 2016, available at: <https://www.gov.uk/government/consultations/public-financial-guidance-review-consultation-on-a-single-body>

1.12 The government agrees that public financial guidance plays an important role in ensuring that members of the public are able to access the information and guidance they need to help them make more effective financial decisions and to deal more confidently with the financial services sector. Important financial decisions can be supported with the right information and guidance. The government wants to ensure that everyone has the opportunity to take control of their finances and being able to access the right guidance is an important first step.

1.13 On 22 June 2017 the government introduced the Financial Guidance and Claims Bill ('the Bill') in the House of Lords. Part 1 of the Bill provides for a single financial guidance body which will replace MAS, TPAS and Pension Wise, making it easier for people to access the help they need to make effective financial decisions and reducing duplication between the publicly funded services providing guidance and debt advice. This will help direct more resources to the front line and enable the body to bring together expertise to address the difficult and interrelated financial issues that people experience in terms of budgeting, savings, retirement planning and problem debt. The Bill also allows for the provision of funding to the devolved authorities for the cost of their locally commissioned debt advice.

1.14 The following chapters set out the key findings from the responses to the consultation and the government's proposed course of action.

The new delivery model for public financial guidance

2

2.1 The 'Public financial guidance review: consultation on a single body' outlined the government's proposed new delivery model for public financial guidance. It proposed that MAS, TPAS and Pension Wise should be replaced by a new single financial guidance body bringing together the provision of debt advice, money guidance and pensions guidance, and sought views on the new delivery model. In light of responses to that consultation, the government has developed the model further.

The single financial guidance body

2.2 The single financial guidance body will simplify the existing public financial guidance landscape, making it easier for people to access information and guidance to help them make effective financial decisions.

2.3 The body will be set up in the Bill as an arm's-length body, accountable to Parliament, and sponsored by DWP. The legislative framework set out in the Bill will allow the body to: adapt to people's changing needs and prioritise services, where appropriate, on particular groups; respond to industry and policy changes and keep pace with technological advances to meet the information and guidance needs of people now and in the future; and ensure the service is efficient, avoiding unnecessary duplication, channelling as much funding as possible to front line delivery.

2.4 The single financial guidance body will have four core functions:

- the provision of debt advice in England
- the provision of money guidance across the UK
- the provision of pensions guidance across the UK
- to work with others in the financial services industry, the devolved authorities and the public and voluntary sectors to support the co-ordination and development of a national strategy in three key areas:
 - to improve people's financial capability
 - to improve the ability of members of the public manage debt
 - to improve the provision of financial education to children and young people

2.5 In carrying out its functions, the single financial guidance body will be required to have regard to five objectives. The objectives will require the body to aim to improve the ability of people to make informed decisions about their finances; support the provision of information, guidance and advice in areas where it is lacking; ensure information, guidance and advice is provided in the clearest and most cost effective way; ensure that guidance and advice is available to those who are most in need of support; and work closely with the devolved authorities.

Debt advice

2.6 The government believes it is essential that people affected by debt should be able to access advice to help them improve their financial position. The provision of readily available debt advice remains a government priority.

2.7 The single financial guidance body will provide information and advice on debt to members of the public in England, and will work closely with the devolved authorities who will be responsible for the delivery of debt advice in their nations.

2.8 The government wants to ensure that the single financial guidance body is able to deliver debt advice in conjunction with a range of organisations to ensure that supply meets consumer demand. It also wants to ensure that the debt advice provided by the body's delivery partners is of good quality.

2.9 In the March 2016 'Public financial guidance review: proposal for consultation', the government proposed that any future body should only commission debt advice delivery from FCA-authorized providers. Responses to that consultation noted that this would risk preventing the body from working with key providers of debt advice, such as local authorities, who are not required to be authorised by the FCA. This could therefore have limited the pool of providers in a way that could be detrimental to members of the public. The government agrees that the body should work with debt advice organisations that are either authorised by the FCA or are exempt from needing such authorisation. This will ensure that those who do not need this authorisation, such as county councils, district councils and unitary councils - who already provide good quality debt advice to members of the public - will not be ruled out from working with the single financial guidance body.

Money guidance

2.10 The government recognises the ongoing importance of providing information and guidance to individuals on money matters given the low levels of financial capability in the UK. The single financial guidance body will deliver or signpost to **information** on all money matters, including budgeting and saving, insurance, financial advice, bank accounts, protection from fraud and scams, planning for retirement, and debt solutions. The government expects the body to provide high quality information that fills gaps in the existing provision, and does not duplicate the guidance already available.

2.11 In addition, the body will fund financial capability initiatives designed to help people manage their finances better and gain the confidence, skills and knowledge to engage with the financial services sector. It will be up to the body to decide which initiatives it funds, but in doing so the government expects it to work with charity sector organisations, local government, the devolved authorities and industry, to minimise duplication, and potentially scale up initiatives that have been proven to work.

Pensions guidance

2.12 Over the past few years there has been a significant change in the pensions savings landscape as a result of the introduction of Automatic Enrolment. The latest figures show that 8 million people have been automatically enrolled into a workplace pension. At the same time, the new pensions freedoms have given those people who have saved into a defined contribution pension more options on what they can do with those savings when they reach age 55.

2.13 The increase in new pension savers alongside the pension freedoms brings with it new challenges and the government believes people would benefit from access to joined up

information and guidance to help them develop the financial capability they need to make informed decisions, not only about their pensions, but about their finances as a whole throughout their lives.

2.14 The single financial guidance body will provide guidance and information on all matters relating to occupational and personal pensions. This will include information and guidance to people with defined contribution pension savings on the options available to them as a result of the pension freedoms. When the pension freedoms were introduced in 2015, the government made a commitment that these people would be able to access free and impartial guidance to help them navigate the options open to them. This is the guidance currently delivered under the DWP Pension Wise banner, and the government will require the body to continue to provide this guidance.

Strategic role

2.15 The single financial guidance body will work with others to support and co-ordinate the development of a national strategy to improve the financial capability of individuals, their ability to manage debt, and to improve the provision of financial education to children and young people.

2.16 The Bill **requires** the new body to work with the financial services industry, the devolved authorities, and the public and voluntary sectors to support the co-ordination and development of a national strategy that will a) improve people's financial capability and debt management skills, and b) improve the provision of financial education for children and young people.

2.17 The body will be expected to build on the UK financial capability strategy developed by the UK Financial Capability Board, and the emerging MAS debt advice strategy. As part of this, it will be expected to develop a body of evidence that clearly shows which projects are successful and which are not. The government wants the body to develop an understanding of what actually helps people to make better financial decisions throughout their lives, to actively deploy this understanding in its own efforts in this area, and to share this knowledge and promote best practice across the industry. The body will evaluate the impact of projects that it funds and publish all research that it conducts, including evaluations of projects which have not been successful. Importantly, it will be expected to apply the knowledge gained through this research to its own future delivery of money and pensions guidance, and its commissioning of financial capability initiatives.

2.18 The government also wants the body to maximise the positive impact of financial education for children and young people so that they are better prepared for the financial challenges they will encounter when they come to manage their own finances and plan for their retirement. Financial services firms and charities currently offer a range of programmes inside and outside of schools, such as MAS's 'Talk, Learn, Do' and 'Maths in Context' programmes, and stakeholders have suggested that the single financial guidance body might usefully co-ordinate these programmes. In carrying this out the body will facilitate partnerships between schools, and other organisations that work with children and young people, and those willing to provide funding and resources to support the delivery of financial education.

2.19 Finally, the Financial Advice Market Review recommended that the Financial Advice Working Group (FAWG) should lead a task force to design and test a set of rules of thumb and nudges designed to meet people's common financial needs. The government is considering whether the new body is the most appropriate place for these rules of thumb and will also review whether MAS is best-equipped to host them before the creation of the new body. The legislative framework for the single financial guidance body will enable this if the government decides it should host these rules.

Engaging with consumers

Delivery channels

2.20 The government does not wish to specify how the single financial guidance body should deliver its functions. It considers that the body itself will be best placed to design its own service delivery, and to refine its approach over time with reference to evidence of what works best for people using the service.

2.21 Given the range of demographics and needs the body will serve, it will need to provide information and guidance via a range of appropriate delivery channels, including website information and tools, telephone and face to face but it will be for the body to decide the exact mix of delivery channels.

Promoting the service

2.22 Some direct marketing may be necessary to raise awareness when the single financial guidance body is established, but the government does not anticipate large sums being spent on untargeted marketing, and would not condone such use. Instead, the body will be encouraged to link up with industry, charities, central and local government and the devolved authorities to promote its services in a targeted and value for money way.

2.23 People could be encouraged to engage with the new body through nudges at moments when they are engaging with their finances. The government considers nudges are an effective way of encouraging people to engage and expects the FCA to review its rules so that individuals are signposted to body by industry at moments when they are most likely to benefit from guidance.

Governance and accountability

2.24 The single financial guidance body will be established as an arm's length body of the government. It will be accountable to Parliament for its activities and will be sponsored by DWP. Key elements of its accountability and governance arrangements are set out in the Bill, including the requirement for the body to prepare a statement of accounts in respect of each financial year which must be examined and certified by the Comptroller and Auditor General and laid before Parliament, and to inform Parliament of its activities through an annual report.

2.25 The relationship between the single financial guidance body and DWP will be set out in a published Framework Document that will follow the principles in the Cabinet Office's 'Partnerships between Departments and ALBs: Code of Good Practice' and HM Treasury's 'Managing Public Money'. The Framework Document will also provide further details of the governance arrangements under which the body will operate including requirements for preparing, securing approval for and publishing its corporate and annual business plans.

2.26 The single financial guidance body will deliver guidance which spans both HM Treasury and DWP's policy areas. Whilst the DWP will be the sponsor department, both DWP and HM Treasury have responsibility for ensuring the body receives the support it needs to deliver its statutory functions in an effective and efficient manner.

Funding

2.27 The single financial guidance body will be funded in the same way that MAS, TPAS and Pension Wise have been funded – from levies on the financial services industry (the financial services levy) and pension schemes (the general levy on pension schemes). By rationalising the provision of services, the government expects there to be long term operational efficiencies that

will mean more funding can be channelled to front line delivery of debt advice, money and pensions guidance.

Devolved administrations

2.28 The government's overarching objective is to ensure that individuals across the UK are able to access guidance, information, and debt advice. The government has taken into account matters of devolved and reserved competence when designing the body's delivery model. The government proposes that funds for debt advice should be transferred to the devolved authorities, and that the body's money guidance and pensions guidance services should be provided on a UK-wide basis. It is critical that the body works closely with the devolved authorities in the design and delivery of these services and in commissioning local services, to take full advantage of local expertise and sectorial knowledge.

Evaluation the new delivery model

2.29 Regular assurance and challenge for good governance and efficiency of public bodies is central to the government's public bodies transformation programme. The Cabinet Office's 'Tailored reviews: guidance on reviews of public bodies' sets out the principles for government departments to use when reviewing public bodies. The principles aim to ensure public bodies remain fit for purpose, well governed and properly accountable for what they do. The guidance offers greater flexibility to departments, so that reviews are proportionate to the size and type of a public body and more flexible in timing and approach. These reviews must be undertaken at least once in the lifetime of a Parliament.

Government response to the 'Consultation on a single body'

3

Overview

3.1 The majority of respondents broadly welcomed the proposed changes to the delivery of public financial guidance outlined in the consultation document. The majority of respondents also strongly agreed that: a single body would provide a better offer for members of the public; a greater proportion of funding should be directed towards the front line delivery of pensions guidance, debt advice and money guidance; and welcomed the proposal to simplify the publicly-funded financial guidance landscape as a whole. Respondents also agreed that the proposed model must help to reduce the duplication of financial guidance available to consumers.

Consumer offer and the role of the single financial guidance body

Q1. Do people with protected characteristics under the Equalities Act 2010, or any consumers in vulnerable circumstances, have particular needs for public financial guidance or difficulty finding and obtaining that guidance?

3.2 There was a strong consensus that individual needs are complex, and that people in financial difficulty should be considered as vulnerable. Respondents noted that groups with particular needs may include, but are not limited to, disabled people, older people, those with mental health problems, and those suffering from unexpected life events, such as bereavement and stress. The government expects the single financial guidance body to provide information and guidance through a variety of channels so that everyone can seek help in a way that is appropriate for their needs.

Q2. Do you agree that these areas capture what the broad role of the single financial guidance body should cover?

3.3 Some respondents raised concerns that the consultation document did not provide enough clarity about the areas where the single financial guidance body will commission services and where it will deliver them directly. The government is clear that it expects the body to consider a range of factors when deciding which services should be commissioned and which should be delivered directly, such as value for money, expertise, and geographic factors.

3.4 Many responses highlighted that there is already a lot of work being done on helping people to avoid financial fraud and scams, and that to task the new body with a specific function to avoid fraud would not sit well with the focus on avoiding duplication of provision. The government has listened to these concerns and agrees with respondents, and so the body will not have a specific function on raising consumer awareness about financial fraud and scams but could signpost consumers to existing sources of information.

3.5 Some respondents suggested that the body should have a role in the government's plans for the creation of a pensions dashboard; the role suggested varied between signposting to a dashboard, hosting a public good dashboard, and developing governance for the dashboards. Some respondents suggested that the body should have a role in the government's plans for the

creation of a pensions dashboard; the role suggested varied between signposting to a dashboard, hosting a public good dashboard, and developing governance for the dashboards. HMT worked with industry to deliver a working prototype of the dashboard in April 2017, but the dashboard is still at a very early stage, with many policy questions outstanding.

Q3. Do you agree that the single financial guidance body's financial capability initiatives should focus on priority groups such as those who are most in need of support to build resilience?

3.6 Respondents had mixed views on this. A number supported the proposal, noting that the single financial guidance body will have finite resources that should be carefully targeted. Others thought that the body should endeavour to help everyone, and pointed out that anyone could fall into a priority group at any point in their lives. The body's initiatives should be sufficiently flexible to respond to emerging needs and priorities, but the government considers that generally the body should target the areas of greatest need.

The single financial guidance body's strategic role

Q4. Do you agree that the single financial guidance body should have a strategic role, working with the financial services and pensions industry and third sector organisations to improve financial capability?

3.7 The majority of respondents agreed that the single financial guidance body should have a strategic role working with the financial services industry, the pensions industry and charity sector organisations to improve financial capability throughout the population. Respondents noted that this strategic role will help to identify gaps in financial capability provision, identify areas of duplication, and share information on best practice. The government agrees and expects the body to develop and deploy a financial capability strategy in collaboration with the financial services industry, the pensions industry and the third sector.

Q5. How might the single financial guidance body develop its understanding of what works and usefully contribute to sector wide research?

3.8 Many respondents noted the body will need to conduct research and to evaluate projects as part of its strategic role. Some respondents noted that evaluation of projects can be a burden on charitable providers, but others pointed that evaluation of financial capability initiatives will help the sector to identify projects that can be rolled out at scale.

3.9 The government agrees that the body should take on a research function of this sort and evaluate robustly where appropriate. When carrying out this research function it is important that it does not attempt to reinvent the wheel and as such the government expects the body to work with industry and the third sector and take steps to avoid unnecessarily conducting research already available elsewhere.

Q6. In what ways could the single financial guidance body co-ordinate and add value to the provision of financial education?

3.10 Similarly, the government expects the single financial guidance body to conduct research to evaluate the effectiveness of financial education initiatives for young people and to take a strategic approach with financial education providers. In response to question six, some respondents noted that financial education is important to equip young people with the skills required to engage with their finances in later life.

3.11 It will be up to the body to identify where it can add most value to the UK's financial education provision, but the government expects it to work with others to identify best practice,

to help financial education providers reach young people, and to avoid unnecessary duplication. The government also agrees with respondents who noted that the body should work with existing financial education partnerships and with the Scottish, Welsh and Northern Irish governments, since education is a devolved matter.

Engaging with people

Q7. Are there other delivery channels that the single financial guidance body should consider that would be effective for delivering to consumers?

3.12 Respondents had mixed views when asked about the body's potential delivery channels. Some highlighted the importance of face-to-face services for vulnerable people, while others noted that telephony and online services may deliver greater value for money and reach a higher number of people. Importantly, most respondents recognised that the government should not restrict the body's ability to design its delivery channels, noting that it will need the flexibility to respond to future circumstances.

3.13 The government agrees that the body should have the flexibility to design its delivery models and will not specify channels, but expects it to draw on evidence and user testing to ensure it is meeting the needs of its large and diverse customer base.

Q8. How should the single financial guidance body ensure that it engages consumers at the right time for them?

3.14 Respondents highlighted a wide range of opportunities that the government might pursue so that people engage with the single financial guidance body. Many noted that engagement with body could be built through industry contact with people and one respondent noted, as an example, that people are given information about the Financial Services Compensation Scheme when they make deposits. A similar technique could well be useful in raising awareness about the body to people who might benefit from it at key points where the information might be best received. Others also highlighted the importance of event-driven guidance, noting that individuals are more likely to engage with guidance at particular points in their life, such when they get a job or start a family.

3.15 The government agrees that the body should explore these opportunities and will work with the FCA to create rules to ensure industry signposts people to the new body at appropriate points.

Funding

Q9. Do you agree that the single financial guidance body should be able to exercise some flexibility in the way funding is directed?

3.16 A range of views were expressed around whether the single financial guidance body should have the flexibility to direct and re-route funds to each of its functions as it deems appropriate to deal with emerging challenges. Many responses expressed that some flexibility could be a good idea as it would allow body to respond to changing circumstances and help the body to fulfil its wider strategic function. Other responses clearly stated that specific functions should have their funding ring-fenced, which would partially or entirely restrict flexibility – this was particularly expressed with reference to funding for the provision of debt advice. Many responses noted that ring-fenced funding would allow for greater transparency for levy payers, and a number of responses that did support a degree of flexibility called for the body to publish the details and rationale for any reallocation of funding.

3.17 It is both important that the body has the flexibility to deliver its functions and achieve its objectives, and that it is accountable to levy payers. On balance, the government believes that the body should be allowed some flexibility to direct its funds to respond to emerging needs. The government expects it to provide clarity to levy payers about the allocation of funds through its annual planning and reporting.

3.18 Many respondents noted that, given the changing structure of the debt advice market, there was an increasing need to review funding arrangements for the sector.

3.19 The government is committed to ensuring that the debt advice sector is sufficiently resourced to meet the growing demand for debt advice. We will continue to work closely with the sector, by supporting the creation of the body's own future debt advice strategy, to ensure this is the case.

Devolved administrations

Q10. Would these proposals have any impact on the delivery of public financial guidance in Scotland, Wales or Northern Ireland?

3.20 Respondents agreed that the single financial guidance body should work closely with the devolved authorities to ensure that UK-wide initiatives complement local strategies. Some respondents also called for the devolved administrations to have greater control over funds, noting that funding from the debt and money levies might be better spent if aligned with debt advice and guidance initiatives delivered locally.

3.21 In response, the government intends to transfer funds for the provision of debt advice (a devolved matter) to the devolved authorities. However, the government believes that the body's money guidance and pensions guidance services should be provided on a UK-wide basis. The body will work closely with the devolved authorities in the design and delivery of these services and in commissioning local services to take full advantage of local expertise and sectorial knowledge.

Further comments

Q11. Do you have any other comments about the proposed delivery model and consumer offer?

3.22 A majority of respondents to the consultation were supportive of the direction of travel and of the plans to create a single financial guidance body. Respondents were also supportive of the work of MAS, TPAS and Pension Wise, and many noted that they had created strong relationships with these service providers.

3.23 The government recognises the importance of ensuring that MAS, TPAS and Pension Wise continue to operate effectively during the transition to the single financial guidance body, and will continue to work closely with them.

Respondents to the 'Consultation on a single A body'

A.1 A wide range of views, evidence and information was gathered as part of the consultation. This included information gathered through: 98 written responses from a diverse range of organisations and individuals; workshops with interested parties; and, in depth follow-up discussions with a range of stakeholders.

A.2 HM Treasury and DWP would like to thank all of those who took the time to respond or discuss this issue with us.

A.3 The government would also like to reiterate thanks to MAS, TPAS and Pension Wise for their help and cooperation throughout the public financial guidance review period.

List of organisations who responded to the 'Consultation on a single body'

- Association of British Insurers
- Action for Children
- Advice NI
- Age Scotland
- Age UK
- Association of Consulting Actuaries
- Association of Accounting Technicians
- Association of Accounting Technicians
- Association of Business Recovery Professionals
- Association of Mortgage Intermediaries
- Association of Professional Financial Advisers
- Aviva
- B&CE
- Brewin Dolphin
- British Bankers' Association
- British Insurance Brokers' Association
- Building Societies Association
- Capita Employee Benefits
- Chartered Banker Institute and Financial Education Partnership

- Chartered Institute of Credit Management
- Christians Against Poverty
- Chartered Institute of Personnel and Development
- Citizens Advice
- Citizens Advice Scotland
- Citizens Advice Sutton
- City of Edinburgh Debt Advice Team
- comparethemarket.com
- Consumer Council (NI)
- Consumer Finance Association
- Contrado Consulting
- Convention of Scottish Local Authorities & Trading Standards Scotland
- Council of Mortgage Lenders
- DIAL Great Yarmouth
- Equity Release Council
- Experian
- FCA Small Business Practitioner Panel
- Finance and Leasing Association
- Financial Inclusion Centre
- Financial Inclusion Commission
- FS Consumer Panel
- Investment and Life Assurance Group Ltd
- Improvement Service
- Institute and Faculty of Actuaries
- Institute of Money Advisers
- Invest South West
- JRP Group
- Low Incomes Tax Reform Group
- LV=
- MIND
- Money Advice Scotland
- Money Advice Trust

- Money Advice West
- Money Alive
- Money and Mental Health Policy Institute
- Money Buddies, Ebor Gardens Advice Centre
- National Advice Network Wales
- National Skills Academy for Financial Services
- Nationwide
- NIACRO
- Old Mutual Wealth
- Payments UK
- Pensions Administration Standards Association
- Pensions Management Institute
- Personal finance Society and Chartered Insurance Institute
- Pensions and Lifetime Savings Association
- Prudential
- RBS
- Red Star Education
- Royal London
- Scottish Widows
- Shelter
- Society of Pensions Consultants
- StepChange
- Swiss RE
- The Children's Society
- The Money Charity
- TISA
- Toynbee Hall
- The Pensions Advisory Service
- UK Cards
- Vocalink
- Wales Co-operative Centre
- Welsh Government

- Welsh Government Association
- Which?
- Young Enterprise

HM Treasury contacts

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