



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

George Mudie MP
Chair, Treasury Sub-Committee
House of Commons
London
SW1A 0AA

28 May 2014

Dear George

LAUNCH OF THE INDEPENDENT REVIEW OF THE MONEY ADVICE SERVICE

I am writing to provide you with advance notice of the Government's plans for the review of the Money Advice Service (MAS). As Sajid Javid explained in his letter of 2 February, the Government agrees with the Sub-Committee's core recommendation that the planned review should be independent.

I am delighted that Christine Farnish has agreed to lead the review. Christine is a well-known and highly-respected figure in both the consumer and industry spheres. She will bring to the role a wealth of knowledge and understanding, coupled with a strong operational track record. I look forward to the rigour and independent perspective she will bring to the review.

I have agreed with Christine that she will begin the review on Friday 30 May and the final report will be issued before the end of the year.

I have attached the Terms of Reference overleaf for your information. In short, the review has been tasked with three central objectives.

First, it should make an assessment of the current - and future - need for financial education and advice, and of the role that MAS could and should play in meeting this need. In the four years since MAS was established in statute, the nature of this need and the wider landscape has evolved significantly. And it will continue to change, as, for example, individuals have greater freedom over their retirement options.

Second, it should assess how effectively and efficiently MAS has been meeting need. In doing this, I believe it is important that the review builds on the work and findings of the Sub-Committee and the National Audit Office.

Third, the review should recommend changes to ensure MAS meets consumer need for education, money advice and debt advice as efficiently and effectively as possible.

I would like to thank the Sub-Committee for its considerable contribution to date, and I would warmly welcome its input to, and scrutiny of, the review's progress and recommendations.

Best wishes

Andrea

ANDREA LEADSOM