

## **Thoresen Review of Generic Financial Advice Evidence submitted by United Response**

United Response is a national voluntary organization, which supports c. 1500 people with learning disabilities or mental health needs to live in the community. Set up in 1973, United Response now operates across England and Wales, providing support to a range of clients including people with very severe learning disabilities, associated physical disabilities and complex needs, those with mild or moderate learning disabilities and communications impairments and those with a range of a mental health needs, from enduring mental health needs such as schizophrenia and psychosis, to depression.

UR has become a leading provider of support services in England and a key pioneer of care in the community. We support some of the most vulnerable people in society. Nearly half of the people we support cannot talk and many more have communications difficulties. Many, in addition to their learning disability, may be deaf, blind or use a wheelchair. We define this as having 'complex needs'. This very profound level of disability means that many people need skilled 24 hour care, sometimes needing 2:1 support, with 2 carers supporting each person.

UR is committed to supporting people – whatever their level of disability – to live the life they choose. We try and provide anything that each person needs to do this, whether this is 24 hour care and support or helping someone to live in his or her own flat or to get a job. We work with each person, their circle of support and their families to find out what they want and how they want to be supported. We have pioneered an approach called 'active support' which focuses on supporting people to engage and participate in a whole range of real, meaningful activities and relationships, rather than being or remaining isolated within their communities.

As a result, we are passionate believers in the power of communication in unlocking the doors that exclude people from everyday life. All our staff are trained to understand each person's way of communicating so that we can build our care and support around their own choices, wants and aspirations. We develop tools to meet these needs and adapt with them as their ability to communicate develops. As well as supporting people, UR is involved in several groups working for change. We are lobbying to break down social and institutional barriers so that people with learning disabilities or mental health needs can enjoy full and equal rights and citizenship. We are also committed to working in partnership with local authorities, commissioning bodies, families and housing partners to provide people with the best possible package of support.

## **Strategic issues**

### **A The current picture**

N/A

### **B – What should the scope of a national approach to generic financial advice be?**

#### **BS1 Who should generic advice aim to serve, including a view on segmentation?**

Generic financial advice – which should be free at the point of access (see below) – should aim to serve:

- Anyone requiring “core” services – e.g. current account, savings account, credit/loan facilities, mortgage, pension and standard insurances (e.g. personal, household etc). It should also provide an overview on what might suit each particular client.

We believe that the focus here for who is included/excluded should be on the core products that need to be accessed, rather than on the consumer themselves – raw demographic data can mask many issues and trying to include or exclude customers on the basis of their profile could result in people who need to be included, being excluded. Whilst United Response’s core interest in this area is in supporting people with learning disabilities and mental health needs to access the financial advice and support they require, anecdotal evidence suggests that many UK adults – even those with a high level of intelligence and academic achievement – have considerable insecurities around financial issues. Core generic financial advice should therefore serve anyone who requires it, in order to prevent future problems from occurring.

#### **Segmentation**

To ensure that this advice can be accessed by the whole community, easy, accessible financial information needs to be made available to people that ask for simpler information, in particular people with learning disabilities and – to a lesser extent – to people with mental health needs (for when financial worries can exacerbate their illness). This needs to take the form of both easy-read material, and training for advisers themselves in how to support customers with a learning disability or mental health need, and on any particular financial issues they might face (for example benefits entitlements). This group could therefore be treated as a particular market segment – however; we believe that easy-read information would have a wider application than just people with learning disabilities – it would also benefit those who are “functionally illiterate”, (defined by the Organisation for Economic Co-operation and Development as not being able to “understand and employ printed information in daily life, at home, at work and in the community”). According to the Basic Skills Agency, 24% of adults are

estimated to have poor literacy levels. And we believe that many other groups, including young people who may just be learning about financial matters, and older people who may struggle with difficult terminology, would benefit from this approach.

**BS2 – Are there groups it should not aim to serve and how might they be excluded or steered away?**

More complex services – e.g. ISAs or inheritance tax advice – should not necessarily fall into this bracket.

**BS3 – Best ways of reaching the target market**

Through working closely with agencies that are already connected with and trusted by, the target market – e.g. voluntary organizations, community groups, other generic advice points. But it is important that generic financial advice is also closely networked to the commercial providers themselves.

**BS4 – what should be the content of generic financial advice?**

As above - generic financial advice should aim to cover advice on core services including:

- Current account – choosing, opening, managing
- Savings account- choosing, opening, managing
- Credit/loan facilities – choosing, obtaining, managing
- Mortgages – choosing, opening, managing
- Pensions – choosing, opening, managing
- Insurance – choosing, opening, managing
- An overview on the best mix of financial products for each person
- Crisis support for those already in financial difficulty

**BS6 – what organizations and services should or could be expected to refer people to generic financial advice?**

CAB, local authorities – social services, voluntary and community organisations (especially councils of voluntary services), info points, universities, colleges, schools, libraries, GPs (if for example financial worries are causing people to experience mental health distress). In the latter case this could work on “prescription” – similar to Active Lifestyles type prescriptions. In other cases, this could be via signposting.

**BS7 – Where should people be referred to after receiving generic advice? Should it be possible to refer people to a commercial provider? If so, how?**

Yes it should be possible to refer people to a commercial provider – clients will at some point need to access these services – as long as there is real and genuine choice available (and this means that the generic financial advice service will

need to have sufficient capacity for in-depth consultations with clients if required, to explain these, and that the service must not be tied, or appear to be tied to any one or more provider).

Ideally, we would like to see a system of commercial providers signing up to a **good practice quality mark**, for which the criteria would have to be agreed, to boost consumer confidence.

## **C – Cost and funding**

### **CS1 – To what extent should generic financial advice be free at the point of delivery?**

We believe that generic financial advice (as defined above) should be completely free at the point of delivery. Charging would present a huge barrier to access and result in excluding those whom this service would most need to reach. Free advice would demonstrate a real commitment to “preventative”/proactive approaches from financial institutions and would help to build (and restore) consumer confidence and trust.

### **CS2 – Is there any evidence that supports a commercial case for a generic advice service (including required changes to the existing model to improve the situation)?**

We do not have concrete commercial evidence to support this. However, anecdotal evidence suggests that pre-crisis intervention generally, and accessible information specifically for our client group, would help to prevent and therefore reduce bad debt that ultimately has to be written off by commercial lenders.

## **D – How can potential users be engaged?**

### **DS1 – How can consumers be encouraged to improve their financial capability and take an active interest in their personal finances?**

Services must be tailored to the needs of consumers – particular those who are currently excluded - and promotional messages geared around these – i.e. making it very clear “what’s in it for them”. It will be important to work closely with excluded groups to identify all possible barriers to engagement so that these can be addressed in communicating the service.

**It is also important that the service is delivered by agencies, or in partnership with agencies that are trusted by consumers**, and in non-threatening and non-stigmatising environments.

Some form of incentivisation, maybe time limited, could also be a possibility.

**DS3 – What would an attractive brand for a generic financial advice service look like?**

It would need to be simple, easily recognizable and identifiable, accessible and non-threatening. This would need to be tested with the target audience.

**OPERATIONAL ISSUES**

**A – What is happening today, how and to whom?**

**AO1 What advice services are you or your organization responsible for delivering (this need not be generic financial advice)?**

United Response is a national voluntary organization supporting people with learning disabilities or mental health needs. Our support is mainly house-based – working with people in supported living or residential care or domiciliary settings. We provide whatever support it is that people need to live their lives and so as part of our support we help people to manage their money – to pay rent, utilities, bills, and to budget for all their expenditure, e.g. shopping, spending money. This is done on a tailored, one-to-one basis, in response to specific need. We also run a number of supported employment services and as part of this, work with people to help them understand their benefit entitlements for example.

As a result of this work, we have identified some real needs and gaps in provision around financial information and advice for people with learning disabilities in particular and as a result have developed some accessible tools (including online resources) to help people to manage their money. We are now building on this with “making money easy” – a joint project with ARC (the Association for Real Change) and funded by the Friends Provident Foundation – which will produce simple, accessible guides to key financial products and services to meet the needs of people with learning disabilities.

**AO2 – How is your advice delivered (e.g. face to face, web-based or telephone)?**

Advice is delivered on a one to one basis by support staff, working with each person they support. This is backed up by materials and resources produced by United Response – for example a “My Money” spreadsheet based tool, developed by United Response to provide a simple guide to help people manage their budget. Further materials explaining common financial terms and products, with a focus on current bank accounts, are being developed in partnership with ARC (the Association for Real Change) as part of the “Making Money Easy” project funded by Friends Provident. We are also piloting other simple technology (e.g. video phones) that might provide user friendly solutions to complement existing approaches.

### **AO3 – what is the legal, organizational and governance structure of your service?**

The organisation is governed by a board of Trustees, led by the Chairman. The trustee board meets regularly, supplemented by additional Executive Committee meetings and a number of sub-committees and best practice groups, including the Investment Committee, Employment Committee and Audit Committee.

The Trustees have the powers and obligations of Directors under the Companies Act 1985. They are responsible for the overall direction and governance of United Response. The process for recruiting new Trustees is to advertise the positions, accept applications and interview a group of shortlisted candidates. People we support participate in these interviews. We aim to achieve a balance of expertise and knowledge on the board and also to ensure that all parts of society are represented, including people with disabilities and from minority ethnic communities. Once appointed, Trustees undergo a thorough induction process and receive updates and information on a regular basis

UR is managed by its Directors' Team, consisting of the senior paid employees of the organisation. The Directors' Team is led by the Chief Executive, who reports to the Chair of the Trustees. It is responsible for implementing the policy decisions determined by the Trustees. Members of the Directors' Team attend meetings of the Trustee Board, and its Executive Committee, to brief them on organisational matters.

### **AO4 – how is your service funded?**

Our core support services are funded by contracts – predominantly with local authorities but also with primary care trusts and other statutory agencies. We rely on additional fundraised income from individuals, companies, trusts and bodies such as the Big Lottery Fund to fund our “added value” work – ground-breaking projects that really make a difference.

### **AO5 How did you identify your customer and their needs?**

Our customers – people with learning disabilities or mental health needs – are referred to us via statutory agencies (Social Services departments, Primary Care Trusts, Job Centre Plus etc) or may self refer in some cases. However we support them, we work closely with each individual to identify their needs and wants and to develop a tailor-made support package to meet these. This includes working with each person to identify and meet their needs for financial advice and guidance.

### **B – The scope of national approach to financial advice**

N/A – not a dedicated financial advice service.

## **C – Cost and funding**

N/A – not a dedicated financial advice service.

## **D – How can potential users be engaged?**

### **DO1 – What market research did you do before setting up your service?**

Before applying for, and securing, the initial funding for “Making Money Easy” from Friends Provident, we worked with ARC (Association for Real Change – the umbrella organization for services to people with learning disabilities) who had identified the specific barriers to financial inclusion for people with learning disabilities.

People with learning disabilities are often amongst the most excluded in our society. Even in relatively wealthy areas, people with learning disabilities are the “unseen disabled”, suffering prejudice and isolation. In particular, the lack of simple, accessible financial information, products and services means that people with learning disabilities – particularly people with communication impairments - are effectively excluded from using mainstream financial services and organisations.

Yet people with learning disabilities have significant spending power, and many are being supported to manage their own money, to live in their own, named tenancies and/or to pay directly for the services they receive. A number of people with learning disabilities are even moving towards sole or shared home ownership, taking on mortgages in their own name.

This spending power and potential independence is set to grow in the future following the Government’s proposals to introduce a system of “individualised” budgets” as part of move towards greater independence for people with learning disabilities (and other vulnerable groups). The Government also predicts a shortfall of some 25,000 residential places for people with learning disabilities over the next five years – which means that increasing numbers of people will need to live more independently. Indeed, as residential homes are closed, people will be forced to live more independently, within the community.

However, real independence and choice can only be made possible if people are able to achieve financial independence – and to access the range of financial services which others take for granted.

ARC’s “Banking Matters to Me” project, funded by Friends Provident, and the work carried out by the Financial Inclusion Taskforce and the Treasury’s Facilitating Access Campaign (with which United Response is closely involved) have made very important steps in scoping the problem and identifying major

gaps in provision. The Banking Matters to Me research identified that many people with learning disabilities are facing significant barriers in accessing financial services, often due to their limited or misunderstanding of banking products and services.

Specifically, the research demonstrated that a key issue for many people with learning disabilities in accessing banking is the lack of accessible financial information that is available. There is a serious gap in clear, simple, and easy to understand information on core financial products and services. Current financial information can be very confusing even to those without a learning disability, and to those with communication impairments it represents a major barrier to access. The financial services market is highly competitive and very cluttered, packed with detailed and difficult terminology, small print and financial jargon.

Securing the trust of consumers – particularly those who are currently excluded from mainstream provision – will be core to the success of this initiative, but will be very difficult to gain if all the information available is difficult to understand.

Even current ‘easy’ provision is not meeting these needs. According to research by the National Consumer Council in August 2005 *“basic bank accounts fail to meet the needs of half the UK’s poorest people... those with such accounts are more likely to get into problems than those without them.”* Meanwhile, 50% of UK adults are still “cash dependent” and the government has pledged to reduce this number. A high number of people with learning disabilities are still “cash dependent” as they are unable to access financial information. As a result, people with learning disabilities (and those in general) are at real risk of getting into serious financial difficulties, or from being excluded from financial services altogether.

Now, we want to build on this work and develop accessible financial tools to meet the needs of people with learning disabilities. We believe that providing accessible financial information is critical for this excluded group, and for many other vulnerable groups including those with low levels of literacy, who do not have English as a first language, the elderly and also young people who may be new to financial information and would benefit from easy information. Previous work carried out by both United Response and ARC has shown the huge benefits in providing easy information in other areas in enabling people with learning disabilities to access services which otherwise would be denied to them. We believe that the creation of accessible resources for people with learning disabilities or low levels of literacy to enable them to understand financial terms will provide a change in their ability to access core financial services.

With initial funding from Friends Provident, we are working to produce initial tools to meet these needs, beginning with accessible guides to banking and current accounts. We then want to work with financial services providers themselves to encourage them to produce their own easy read information which we believe will

benefit many target groups, and to raise awareness of the needs of customers with learning disabilities.

United Response  
113-123 Upper Richmond Road  
Putney  
London  
SW15 2TL  
[www.unitedresponse.org.uk](http://www.unitedresponse.org.uk)

Tel. 020 8246 5200  
Fax. 020 0780 9538

Contact Diane Lightfoot, Director of Communications & Fundraising  
Tel. 020 8246 5201  
Email [Diane.Lightfoot@unitedresponse.org.uk](mailto:Diane.Lightfoot@unitedresponse.org.uk)