Interim Progress Report:

are we on the right track?

"Worries about money are a major source of stress. As a nation we need to look for ways to equip people to manage their money – and therefore their lives – confidently, competently and realistically."

Otto Thoresen

Thoresen Review
of Generic Financial Advice

WHO IS OTTO THORESEN AND WHAT IS THE THORESEN REVIEW OF GENERIC FINANCIAL ADVICE?

Otto Thoresen is Chief Executive of AEGON UK, one of the country's big insurance companies. He was asked by the Government to produce a framework for delivering generic financial advice (GFA). The 'Thoresen Review' will make recommendations to the Government next year. Meanwhile, the 'Thoresen Review' team has published an interim report that sets out where we have got to in our thinking so far and the work we need to do next to collect more evidence about the best way of delivering generic financial advice, so that it is the kind of service you will want and use.

We are now also in a position to tell you about the progress we have made in developing a GFA service.

WHAT IS GENERIC FINANCIAL ADVICE?

'Generic financial advice' is any advice about your personal finances that does not involve someone recommending that you buy a particular product. It may also include related topics like tax and benefits. The idea behind a generic advice service is to make sure that information & guidance on money matters is available to everybody.
The service could be at the end of the telephone, on the internet or on your local high street. It will be ready to listen to you, give you guidance and help you make good financial decisions for your future.

WHAT ARE OUR AIMS?

To develop a service that is:

- *On your side: impartial from government and the industry*
- *Supportive and coaching: it won't judge or criticise you but will try to help you to take action*
- *Preventative: to help you take charge of your and your family's money*
- *Available to everyone in the UK – we're focussing on the groups who we think would get the most out of the service, but nobody should be turned away*
- *Not trying to sell you anything*
- *Able to give you personalised information and guidance and help you feel confident about what to do next*

WHAT SHOULD THE SERVICE BE LIKE?

Everyone's financial situation is unique. One of the most important parts of the service to get right is to ensure that everyone knows it is for them. This means that it should not judge or criticise, but give information and guidance, helping you to come to well-informed financial decisions that are right for you and your family.

WHAT SHOULD THE SERVICE OFFER?

There is a lot that GFA could cover to enable people to make better financial decisions. Let's take a familiar example: financial documents are full of jargon and they are not always the easiest things to read. So, we think the service should be there to help with 'jargon-busting' questions like "what does APR mean?" or "what's an annuity?"

The GFA service should also be there to help you understand the pros and cons of different options and to suggest a course of action.

People have told us that the GFA service should not make you feel under pressure to buy anything. The GFA service would not recommend or sell any specific products or services from financial organisations.

We agree it's important that the service does not support any business or government special interest. It should just be about giving people good, practical and realistic information and guidance.

The service will not be aimed at people in financial crisis – we want to try to help people avoid difficulties! The service should direct people in financial trouble to the places where they can find the kind of specialist help they will need. GFA will also be able to equip people to avoid crises in the future.

The GFA service is intended to fill a gap in the provision of information and guidance about money.
Where appropriate, the service will point you in the right direction for more specialised help that is available to deal with any questions you might have.

HOW SHOULD WE LET YOU KNOW ABOUT THE SERVICE?

There's no point in having a great new service to give you guidance about your finances if you're never going to hear about it. So, we think one of our most important challenges will be to make sure everyone knows about GFA. We also want to make sure that it does not feel intimidating and that everyone would feel comfortable using it.

We think it will be important for you to be able to find out about the service in places you go to regularly like your workplace, jobcentres, and even GP surgeries. By making information available in the places you trust, we hope you will start to feel you can put your trust in us and in a service which will be all about helping you.

We are thinking of making information from the GFA service available as widely as possible. We will also be considering how the service might operate on social networking sites, interactive digital TV and even your mobile phone.

We want the service to keep up with you and be easy to use no matter where you are. In the end, the service should be where you would expect to find it.
So, we are looking at having a mixture of centres where you will be able to talk to advisors face-to-face, a phone line and web site. All of this means we are looking really carefully into how we can make the service available to you when you want it.

WHEN MIGHT YOU USE THE SERVICE?

Whenever you want! Whether you are getting married, are having a baby, are wondering what will happen to your finances after a divorce or anything else, we believe it will be important for the GFA service to be there to give information and guidance when you need it. Or it might not be a change in your life that gets you thinking about your money. You might read something in the paper (for example, about changes in interest rates) and wonder what it means if you have savings or a mortgage.

WHAT'S IN A NAME?

All along, we have been talking about this service as GFA or generic financial advice. However we are aware that it is not very obvious what this means. In the end the service will be about giving information and guidance to people and providing them with the tools to make more informed decisions. So, we want to change the name to make sure that it gives a better picture of what the service is trying to do and what it can do.

If you would like to contact the Review you can write or email us:

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For more information on the Thoresen Review and its work visit the website at:

http://www.hm-treasury.gov.uk/independent_reviews/thoresen_review/thoresenreview_index.cfm

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