



THE CONSUMER'S  
RIGHT TO CHOOSE

Financial Capability Strategy for the UK  
Policy Team  
The Money Advice Service  
Holborn Centre  
120 Holborn  
LONDON EC1N 2TD

23 October 2014

Dear Sirs

Please find enclosed Keep Me Posted's response to the Draft Strategy – Financial Capability Strategy for UK.

Yours sincerely

**Michael Hogg**  
Keep Me Posted campaign



## **Keep Me Posted campaign**

### **Response to The Draft Strategy – Financial Capability Strategy for the UK**

#### **About the Keep Me Posted campaign**

The Keep Me Posted campaign is a partnership of 66 leading charities, consumer organisations, trades unions and businesses from across the United Kingdom. These include, amongst others, Age UK, MoneySavingExpert.com, Alzheimer's Society, RNIB, Countryside Alliance and Trades Union Congress (TUC)..

The purpose of the Keep Me Posted campaign is to fight for the consumers right to be given the choice to receive without penalty a paper version of important information such as bank statements, energy and mobile phone bills.

Opinium Research conducted in 2013 found that 49% of respondents were more likely to take action when reading a paper statement, compared to 31% who disagree. Many vulnerable consumers, such as the elderly and those without digital skills or access to broadband, are being unfairly affected if they choose to receive tax information, bills and statements by post. The campaign thinks this should stop.

The campaign is not anti-digital. It is pro-consumer choice.

Further detail on the Keep Me Posted campaign can be found on our website:

<http://www.keepposteduk.com/>

To discuss this consultation response in more detail please contact Michael Hogg on:

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#### **Consultation Question 1: What time period should the Financial Capability Strategy cover?**

In order to ensure that the Financial Capability Strategy remains relevant in an ever changing society the Keep Me Posted campaign believes that the strategy should cover a five year period.

#### **Consultation Question 2: What is your view of the Financial Capability Framework?**

The internet provides real convenience for consumers – the benefits of being able to view important information from financial institutions online cannot be overlooked. While this convenience is enjoyed by millions we must not forget that nearly seven million<sup>1</sup> adults in the UK have never used the internet and 16 million<sup>2</sup> UK adults have limited digital skills. These are some of the most vulnerable in society for reasons such as age, ability, skill, poverty and location.

Therefore in order for financial capability to be made easy and accessible the Keep Me Posted campaign believes for consumers to be fully informed about their financial situation they should be given the choice of how they receive important information from financial institutions and government bodies. This choice, whether online or in a paper format, should be without financial penalty.

Recent research commissioned by the Keep Me Posted campaign, which focused on how banking customers want to be communicated with, found that consumers want choice and while a significant number of customers are happy to receive their statements online, many

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<sup>1</sup> Office of National Statistics

<sup>2</sup> BBC Ipsos MORI BBC Digital Capabilities Update (6<sup>th</sup>-15<sup>th</sup> September 2013)



prefer paper<sup>3</sup>. It is also important to note that 44% of customers believed that their financial records would be incomplete without a paper statement, and 41% were worried that they might miss a payment.<sup>4</sup>

This further supports the Keep Me Posted campaign's aims that consumers should be given the choice with regards to how they are communicated with by service providers.

### **Consultation Question 3: How far do you agree with the objectives of the Financial Capability Strategy?**

The Keep Me Posted campaign believes that in order to enhance people's financial capability they should be given the choice of how they manage their financial affairs whether that be online or in a paper format as set out above. There should be no financial penalty if consumers opt to receive information in a paper format.

### **Consultation Question 4: What is your view of the financially capable behaviour domains?**

The *Manage money well day-to-day* aspect of the "Financially capable behaviour domain" is applicable to the aims of the Keep Me Posted campaign.

The Keep Me Posted campaign believes that consumers should be given the choice of how they receive important information from financial institutions, utility companies, mobile phone companies and government bodies, whether in a paper format or online, without financial penalty.

Research commissioned by the Keep Me Posted campaign found that 81% of consumers think it is important to have a choice how they access financial information and statements from service providers.<sup>5</sup> 44% of customers believed that their financial records would be incomplete without a paper statement, and 41% were worried that they might miss a payment.<sup>6</sup> Whilst 49% of consumers are more likely to take action when reading a paper statement than an online statement.

By offering consumers the choice of how they receive this important information from financial institutions will help them to maintain and improve their overall financial wellbeing.

### **Consultation Question 5: How important is it to track financial wellbeing to help measure the impact of the Financial Capability Strategy?**

The *Secure* aspect of the "Financial wellbeing staircase" is applicable to the aims of the Keep Me Posted campaign.

The Keep Me Posted campaign believes that consumers should be given the choice of how they receive important information from financial institutions, utility companies, mobile phone companies and government bodies, whether in a paper format or online without financial penalty. This will enable consumers to improve the financial capability and enable more financially capable behaviour in the longer-term.

### **Consultation Question 6: What are your views on the priorities for action that have been identified as a focus for the Strategy? Should any areas be added?**

The Keep Me Posted campaign has identified "communications with consumers" as an area which should be added to the *Priorities for action*. Communications should be available to consumers in a paper format or online without any financial penalty to the consumer.

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<sup>3</sup> Opinium Research, 2013

<sup>4</sup> Insight Exchange, 2011

<sup>5</sup> Opinium Research, 2013

<sup>6</sup> *ibid*



**Consultation Question 7: How far do you support the Strategy's aim for children and young people?**

pfeg and MyBnk are supporters of the Keep Me Posted campaign. These organisations have found that many young people's financial difficulty stems from lack of understanding.

Lily Lapenna, the CEO education charity MyBnk stated that *"Taking away paper bills and statements only adds to that confusion. It's echoed by countless vulnerable young people we work with, many of whom lack access to digital services and are already financial excluded: 'with a physical format I know exactly where I stand; I can plan my next steps and effectively manage my money', is something we hear all the time"*

**Consultation Question 8: What is your view of the recommendations for action relating to children and young people? How could they be improved?**

The Keep Me Posted campaign believes paper and online tools are important when educating young people about managing their money.

**Consultation Question 9: How far do you support the Strategy's aim in respect of preparing for later life?**

No response given.

**Consultation Question 10: What is your view of the recommendations for action relating to preparing for later life? How could they be improved?**

Research commissioned by the Keep Me Posted campaign found that consumers want to choose how banks communicate with them and while a significant number of customers are happy to receive their statement online, many prefer paper.<sup>7</sup>

The research also found that 59% of over 55s choose paper statements because they find them "Easier to organise and keep on top of [their] finances and 80% of consumers aged over 65 choose to receive their bank statements by post."<sup>8</sup>

As a result the campaign believes that service providers including financial institutions should offer consumers the choice of how they receive important financial information from them, whether that be in a paper format or online with no financial penalty to the consumer.

The campaign believes offering this choice will help support people as they approach retirement and allow them to make informed financial choices when preparing for later life.

**Consultation Question 11: How far do you support the Strategy's aims for older people?**

To improve the financial capability of older people it is important that service providers including financial institutions offer consumers the choice of how they receive important financial information from them, whether that be in a paper format or online, with no financial penalty to the consumer.

Older people are more reliant on paper. Our research found that 59% of over 55s choose paper statements because they find them "Easier to organise and keep on top of [their] finances and 80% of consumers aged over 65 choose to receive their bank statements by post."<sup>9</sup>

The Keep Me Posted campaign believes this would help support the Strategy's aims for older people.

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<sup>7</sup> Opinium Research 2013

<sup>8</sup> ibid

<sup>9</sup> ibid



**Consultation Question 12: What is your view of the recommendations for action relating to older people? How could they be improved?**

To improve the financial capability of older people it is important that service providers including financial institutions offer consumers the choice of how they receive important financial information from them, whether that be in a paper format or online, with no financial penalty to the consumer.

**Consultation Question 13: How far do you support the Strategy's aims for people with financial difficulties?**

No response given.

**Consultation Question 14: What is your view of the recommendations for action relating to people with financial difficulties? How could they improved?**

The Keep Me Posted campaign recommends that in order for consumers to keep abreast of their financial situation all financial institutions should provide consumers with the choice of how they receive important financial information, whether that be in a paper format or online without financial penalty.

**Consultation Question 15: How far do you support the Strategy's aims in relation to the ease and accessibility of products and services?**

The Keep Me Posted campaign recommends that whilst most financial services and advice are available in person, by phone, or on the internet there is still a need for this information to be available in a paper format which can be sent to the consumer without financial penalty. This will mean consumers will not be disadvantaged.

**Consultation Question 16: What is your view of the recommendation for action relating to the ease and accessibility of financial services? How could they be improved?**

The Keep Me Posted campaign looks to financial institutions to offer consumers the choice, without financial penalty, of receiving a paper version of important information such as bank statements, energy and mobile phone bills.

**Consultation Question 17: How far do you support the Strategy's aims in relation to influencing social norms?**

No response given.

**Consultation Question 18: What is your view of the recommendations for action relating to influencing social norms? How could they be improved?**

No response given.

**Consultation Question 19: How far do you support the Strategy's aims relating to evidence and evaluation?**

No response given.

**Consultation Question 20: What is your view of the recommendations for action relating to evidence and evaluation? How could they be improved?**

It is important that evidence based research is used to inform delivery decisions.



**Consultation Question 21: How would your organisation like to be involved in further development of the Strategy?**

**Consultation Question 22: What role do you see your organisation playing in the implementation of the Strategy?**

The Keep Me Posted campaign would like to draw attention to a recent report commissioned by the campaign *Paper and Digital Communications: the case for consumer choice in the banking industry* when developing the Strategy,

Keep Me Posted, 22 October 2014