



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Cymunedau a Diwylliant
The Communities and Culture Committee**

**Dydd Iau, 20 Mai 2010
Thursday, 20 May 2010**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mohammad Asghar	Ceidwadwyr Cymreig Welsh Conservatives
Lorraine Barrett	Llafur (yn dirprwyo ar ran Sandy Mewies) Labour (substitute for Sandy Mewies)
Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Alun Davies	Llafur Labour
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Bethan Jenkins	Plaid Cymru The Party of Wales
David Lloyd	Plaid Cymru The Party of Wales
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Katija Dew	Pencampwr Cenedlaethol Cynhwysol Ariannol dros Gymru National Financial Inclusion Champion for Wales
Kath Dobie	Rheolwr Prosiectau, Shelter Cymru Projects Manager, Shelter Cymru
Rhian Jones	Cydgysylltydd Addysg, Shelter Cymru Education Co-ordinator, Shelter Cymru
Lee Phillips	Rheolwr Gallu Ariannol ar gyfer Cymru, Yr Awdurdod Gwasanaethau Ariannol Financial Capability Manager for Wales, Financial Services Authority
Chris Pond	Cyfarwyddwr Gallu Ariannol ac Uwch Gynghorwr i'r Awdurdod Gwasanaethau Ariannol Director of Financial Capability and Senior Adviser at the Financial Services Authority
John Puzey	Cyfarwyddwr, Shelter Cymru Director, Shelter Cymru

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Sarah Bartlett	Dirprwy Glerc Deputy Clerk
Tom Jackson	Clerc Clerk

Dechreuodd y cyfarfod am 12.44 p.m.
The meeting began at 12.44 p.m.

Ethol Cadeirydd Dros Dro Election of Temporary Chair

[1] **Mr Jackson:** Good morning, everyone. Welcome to the Communities and Culture Committee. Unfortunately, the Chair of this committee, Sandy Mewies, is unable to be here today. Therefore, under Standing Order No. 10.19, I call for nominations for a temporary Chair.

[2] **Eleanor Burnham:** I nominate Joyce Watson.

[3] **Mr Jackson:** Are there any further nominations? I see that there are no further nominations. Therefore, Joyce Watson is duly elected as temporary Chair of the committee.

*Penodwyd Joyce Watson yn Gadeirydd dros dro.
Joyce Watson was appointed temporary Chair.*

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[4] **Joyce Watson:** I thank Members for nominating me as temporary Chair of the committee. I welcome officials and those in the public gallery today. In particular, I welcome the delegation of Kenyan Active Citizens, who are visiting the National Assembly for Wales as part of the British Council's Active Citizens international programme. I believe that they met several members of this committee informally earlier.

[5] Headsets are available for translation and sound amplification. Translation is on channel 1, and amplification is on channel 0. I ask everyone to ensure that all mobile phones and other electronic devices are switched off completely, as they can interfere with the sound equipment. Please take note that, in the event of an emergency, an alarm will sound, and usher will direct everyone to the nearest safe exit and assembly point.

[6] Do any committee members have any relevant declarations of interest under Standing Order No. 31.6? I see that no-one has any declaration to make. We have received apologies from Lynne Neagle and Sandy Mewies. I believe that we may have a substitution in the form of Alun Davies—sorry, it is Lorraine Barrett.

12.46 p.m.

Ymchwiliad i Gynhwysiant Ariannol ac Effaith Addysg Ariannol—Casglu Tystiolaeth Inquiry into Financial Inclusion and the Impact of Financial Education— Evidence Gathering

[7] **Joyce Watson:** We have representation today from the financial inclusion team of the Department for Work and Pensions. This is the second meeting in which we are gathering oral evidence for this committee inquiry. I welcome the witness, Katija Dew. She is the national financial inclusion champion for Wales. I thank her for her paper and for attending this meeting. I invite Ms Dew to make some introductory remarks, if she would like to, before taking questions from committee members.

[8] **Ms Dew:** I was not expecting that. I have submitted the paper, and if there are any questions I am very happy to answer them.

[9] **Joyce Watson:** Okay. We will go into questions now, and I will ask the first one.

Could you please outline to the committee the role of the DWP financial inclusion champions team in Wales?

[10] **Ms Dew:** To provide a little context, the financial inclusion champions team in Wales is part of a UK-wide initiative, which is delivered by the Department for Work and Pensions on behalf of the UK Government. The initiative is made up of 19 teams, two of which are sector-specific teams: the teams that work on rurality and housing. There are also regional teams, the Wales team being one of those and, incidentally, it was the first team appointed in the UK. The initiative was put together as a result of the recommendations of the financial inclusion taskforce, which makes recommendations to the UK Government on all issues relating to financial inclusion. The financial inclusion champions team has been tasked, in particular, with effecting strategy and policy in respect of financial inclusion. It was recognised that a lot of work has been carried out at ground level, out in the field. In fact, the DWP had administered a project working on that in the form of the Now Let's Talk Money campaign, which directly preceded the champions initiative. However, in evaluating that, it was recognised that there needed to be some input and influence with stakeholders, such as local authorities and housing providers, in looking strategically at how financial exclusion could be tackled in respect of tenants, service users, clients and so on. Many times, there were housing officers and social workers on the ground, trying to support people, but who would then go back to the ranch and find that policy and process were not consistent with the kind of support that they were giving. Our role is to be out working with senior stakeholders effecting that change.

12.50 p.m.

[11] **Joyce Watson:** Thank you for that. Let us move on now to question 2, from Dai Lloyd.

[12] **David Lloyd:** Diolch, Gadeirydd. Yr **David Lloyd d:** Thank you, Chair. I am pleased to contribute this afternoon. How would you define financial inclusion?
Sut y byddech chi'n diffinio cynhwysiant ariannol?

[13] **Ms Dew:** I have been asked many times for a definition of financial inclusion, and there are many out there, most of which are toe-curlingly complicated and most people cannot relate to them, so allow me to explain what financial inclusion and exclusion is for the real person.

[14] I describe the interaction that people have with money as a continuum. We are all along that continuum. At one end, we have financially excluded individuals who, typically, will have no access to basic financial services, and who would not understand how to use those services even if they wanted to access them. They might be able to sign up to them but they would not really understand the benefits and they certainly would not be able to relate those benefits to their situation. At the other end of the spectrum, we have individuals who have the financial services market at their feet and have complete ability to use them. We all sit somewhere along that spectrum. There is a kind of cut-off point at which someone is excluded or included. Typically, people who experience financial exclusion will not have a bank account and are not able to use one, although it would save them money and effort. They will not have savings of any sort, or, if they do, they do not manage them savings very well: they will put money in a jam jar on the mantelpiece and will dip into it to pay for things. They do not have any home contents insurance, so, when things happen, they cannot manage. So, there are several parameters that we would use to describe it.

[15] **Eleanor Burnham:** Yr ydych yn nodi yn eich tystiolaeth ysgrifenedig fod evidence that there is a range of financial

ystod o gyfleoedd addysg ariannol ar gael ledled Cymru ar lefel genedlaethol a lleol. Sut y caiff arfer gorau lleol mewn addysg ariannol ei rannu ar hyn o bryd? Yr oedd eich papur yn ddiddorol iawn, gyda llaw.

education opportunities available across Wales delivered at a national and local level. How is local best practice in financial education shared at present? Your paper was very interesting, by the way.

[16] **Ms Dew:** Thank you. By its very nature, local intervention is local and therefore dynamic to the needs of that locality, which are unique in most cases, although there are some parallels that can be drawn. To answer your question on sharing best practice, there are a couple of routes. There are financial capability fora, one in the north and one in the south. Stakeholders are invited to contribute to those and to share and pick up best practice. There is the financial inclusion newsletter that the Assembly Government circulates widely to partners, who are invited to contribute to that. There are also a number of regional partnerships that work on financial inclusion, to which people can bring good or best practice from their sector and locality, and that can spread within a sub-region.

[17] There is no central system for sharing good practice. The financial inclusion champions team that I described is a small team, and we share good practice between ourselves. We seek to replicate good practice that we see in the south up in the north, and vice versa. However, there is no official system.

[18] **Eleanor Burnham:** Do you think that there should be an official system?

[19] **Ms Dew:** One recommendation that I put in the paper is for some kind of hub, which might well be a useful tool for people who are out in the field. I am mindful of the resource implications of that, and that we need to be as smart as we can in operating that hub. It may take the form of some sort of digital solution, such as a website, with some kind of database with search criteria. As I hope I have reflected in my paper, the whole field of financial inclusion and capability is extremely complex, so what is delivered in one of the south Wales Valleys may not be appropriate to what may be seen as good practice and what is delivered in Ynys Môn, for example. So, I think that we need to be quite clever and careful about how we share those things.

[20] **Mark Isherwood:** In your written evidence, you refer to the financial capability work carried out by credit unions and community development finance institutions, and you comment that that is not the same as financial inclusion in its broadest sense. Can that work be linked more broadly to financial education? If so, how?

[21] **Ms Dew:** I think that it can be. Coming back to one of my comments in the paper, individuals respond to different kinds of contact and intervention. By definition, some of the people who approach credit unions and the CDFI that we have in Wales will be financially excluded, and they go to them seeking a loan. That is generally what happens. They do not tend to go there seeking a savings account, but to borrow some money, often in preference to a doorstep lender. So, if you like, credit unions and CDFIs can be seen as a gateway to engaging with that person for the whole breadth of support. I have also put in my paper that I have to exercise caution, because they are both social enterprises, which often struggle to keep going, because of volunteer resources and so on.

[22] The third sector—credit unions or CDFIs—does sterling work, and will sit with someone and spend time with them on budgeting and so on, but there are limits to what it can be expected to do, engaging with wider activity. One limit may be giving money or debt advice. It is a valuable and excellent gateway system, but either we have to provide resources for those organisations—financial resources, potentially, but intellectual resources in particular—and give them the space to deliver, or, as we seek to do, we have to link them up very closely with other organisations that can deliver those things to individuals through an

active referral process. That approach is not to say, 'Here is a phone number, so please go to see the local advice agency', but taking an active step by ringing the local agency, making an appointment and putting them on the phone. Otherwise, you lose people on their way to the referral agency. They have an important role to play, either to be delivered internally, although there are resource implications in that regard, or through some kind of clear, active partnership working with other agencies.

[23] **Lorraine Barrett:** I know quite a bit about credit unions, but I must confess that I do not know quite as much about Moneyline and other CDFIs. Given that people have plucked up the courage, if you like, to go to their credit unions and CDFIs to sit down and talk about their financial problems, do you not think that it would be more effective for the resources to be given to them to do that extra work on financial education, rather than their saying 'Hang on; we will pass you on to someone else'? They might then see that as another hurdle to deal with, and decide not to talk to someone else, because they understand the credit union and are comfortable with it. Do you think that that is a more effective way for people to access that?

1.00 p.m.

[24] **Ms Dew:** It depends on resources, on the locality and on the partners around the table. There are some examples of very good active partnership working: for example, the credit union in Caerphilly gets someone from Citizens Advice to deliver a session in its office. In that instance, it is not a case of sending someone away; it is a case of leading them through to another room, introducing them and being a part of the handover process. I agree absolutely with the worry that sending people on means that they might drop out. The issue is about being very clear with your partners, about what you are sending to them, how they work and how you work as an organisation, and about creating an understanding. You then provide a foundation for the client that you are moving onwards. So, yes, it can work, and credit unions can deliver it in-house.

[25] Another example—and I am sorry to change tack—is the debt redemption and money advice project that was hosted by the Wales property centre. That supported a roving money adviser going into various credit unions to undertake surgeries there. That model can work, but there are also very sound models, and referral processes do not have to mean sending someone into the deep blue yonder and waving them off at the door, never knowing whether they get there.

[26] **Joyce Watson:** Mark, I believe that you want to ask a supplementary question, but I have to say to Members that I am running this committee to time, so you are using your own time with your supplementary questions.

[27] **Mark Isherwood:** Ms Dew, you referred to the issue of the resources needed to deliver this and to the signposting. There are fledgling proposals in Wales for mutual service delivery models. In north Wales, there is a linkage between Barnardo's, housing associations, citizens' advice bureaux and others, within the capability fora, linking in with schools and so on. However, they all say that they need to have a role in the strategic planning of mutual service delivery. That need not necessarily cost more; it just means working in a smarter way. How do you respond to that?

[28] **Ms Dew:** I very much encourage strategic intervention, with agencies coming together. We very much try to promote that, and I am relieved to hear that they are talking about the resource implications of that being potentially minimal, because there may well be opportunities within an organisation's existing service delivery framework to deliver slightly differently to meet the needs of this agenda. So, strategic partnership working is absolutely the idea that we are trying to promote. As you know, we have the north Wales financial inclusion forum, which our north Wales financial inclusion champion set up some years ago,

recognising exactly that, namely that these organisations need to work together to deliver better.

[29] **Alun Davies:** Thank you for your evidence. In your written evidence, you talk about financial education, and, although you do not say this, my interpretation of it is that that is very patchy. You say that it is delivered in different formats and that it is therefore very difficult to compare. Does that lead you to believe that there are gaps in the provision in geographical terms, and gaps in respect of what is taught and learned in relation to financial education?

[30] **Ms Dew:** To answer your question, yes, provision is patchy. Having said that, as I said, different methods are needed for different people in different ways. There is some consistency in respect of financial capability learning via consumer finance education bodies, some of which I know you will be seeing this afternoon, namely the FSA's intervention. There is a range of interventions that I greatly encourage and I think that they have tackled the whole field of financial capability in a clever way, by looking at people's life stages and trying to link in with those to support people. There is also the work that is done in schools, again, on the curriculum. The Welsh Assembly Government has been very keen to promote financial education in that way. So, there is also a consistency there.

[31] However, there are inconsistencies where local organisations are supporting people in local settings and are sensitive to local dynamics. That challenge is reflected in financial inclusion activity as well as financial capability activity, in that you have to rely on having what I call, 'certain ingredients' in that locality to work with. For example, you need an advice agency that is very keen to work on this agenda and that has the capability and resource to do so. You also need a credit union to work around the table and to be a part of that. There are also Communities First interventions to consider and so on. So, local intervention is patchy, and that is down to resources, volition and understanding and so on. However, there is a sound starting position where there is consistent delivery across the piece in certain areas.

[32] **Alun Davies:** Consistent delivery across the piece in certain areas?

[33] **Ms Dew:** Yes, consistent in respect of certain sectors. For example, there is consistent availability of workplace training that the FSA Consumer Financial Education Body is able to deliver. There is consistent availability of support for those who work with people who are not in employment, education and training. That is there, but what may not be there is, for example, intervention in area X for people who are homeless because that is an area of financial education that is reliant on local intervention. It may well be delivered in one place, but not in the other.

[34] **Alun Davies:** I am interested in that response because it appears to me that the picture you paint this afternoon is one of overarching UK or Welsh programmes that deliver via statutory bodies, wherever they might be, but that any intervention above or beyond that happens on an ad hoc basis. Is there, to your knowledge, any means by which good practice can be spread because you seem to indicate that there is good practice in particular places, but that you are not confident that it is commonplace? Are there any means by which different organisations can learn from each other? Is there any structure in place to guarantee minimum quality?

[35] **Ms Dew:** As far as I am aware, there is no structure in place to guarantee minimum quality.

[36] **Alun Davies:** There is no formal structure, but what about an informal structure?

[37] **Ms Dew:** Sharing good practice would form the backbone of the provision of that minimum standard. For example, that standard would include the parameters that are set out in the Welsh Assembly Government's financial inclusion strategy, but that are reflected in the UK Government's commitments. There are methods of sharing that good practice, such as the Now Let's Talk Money website, with which all partners who work in the field in the third sector are encouraged to register in order to get regular updates. That is administered by the UK Government.

1.10 p.m.

[38] We also have a number of fora in Wales, such as the north Wales financial inclusion forum and the financial capability fora. We have fora that are based on local authority areas and so on. There is also the financial inclusion newsletter that the Welsh Assembly Government issues.

[39] **Joyce Watson:** We are going to move on now and I invite Bethan to ask the next question.

[40] **Bethan Jenkins:** Yn eich tystiolaeth ysgrifenedig, yr ydych yn nodi y gallai targedu addysg ariannol at grwpiau penodol, megis tenantiaid asiantaethau tai, olygu bod rhai pobl eraill ddim yn ffitio mewn i unrhyw grŵp. A oes rhai grwpiau, megis y rheiny sydd yn y system gofal neu'r rheiny nad ydynt yn derbyn addysg neu hyfforddiant o unrhyw fath, yn colli allan ar yr hyfforddiant sydd ar gael ar draws Cymru? Er enghraifft, mae'r Pwyllgor Deisebau wedi derbyn deiseb gan Action for Children yn dweud bod pobl ifanc sy'n byw yn annibynnol yn ei chael yn anodd iawn i ymdrin â'u harian gan nad ydynt yn derbyn y gefnogaeth honno. A ydych yn gweld hynny ar lawr gwlad yn eich swydd?

Bethan Jenkins: In your written evidence you note that targeting financial education at particular groups, such as housing association tenants, could mean that some other people do not fit into any group. Are there currently groups, such as those in the care system or those not in education or training, that are being left out of the training that is available across Wales? For example, the Petitions Committee has received a petition from Action for Children stating that young people who live independently find it very difficult to deal with their money because they do not have that support. Do you see that at grass-roots level in your work?

[41] **Ms Dew:** As I may have referred to in the report, there are huge challenges in this area. Those who are most excluded are the ones who are most difficult to reach and that is why we have used the rationale—partly because of resource implications, but also partly because of the practicalities and what people need—that those agencies that have even tenuous contact with those individuals are best placed to engage with them on this agenda. We also need to bear in mind that different people respond to different messages. For example, the NEET group would not respond to an invitation to attend a seminar. That group would potentially respond to someone who works with them, such as the youth service, and so on, dropping in the odd question about how they pay for their mobile phone, for example. It is about engaging with people in the first instance in a way that they will respond to.

[42] The champions' initiative seeks to include all of the different professions that may well have contact with individuals. Training is available via the CFEB, which I understand is excellent, although I have not attended it. I understand that the training is for individuals who have contact with young people, for example, for them to be given the skills to enable them to engage in those sorts of conversations in a way that the young person will respond to, so that they can then take the next step and the next one. We need to be very clever about how we deliver these services. There may well be a shortfall in provision—I do not know whether there is or not—but it is very difficult to measure and evaluate because some of those

interventions are not about bottoms on seats and people attending something.

[43] **Bethan Jenkins:** Would there be an opportunity for work-based learning providers, such as Fairbridge, which you mentioned, but also Rathbone—you could name quite a lot of them—to do more of that work? They will be assessing the young people throughout the year and it may be that they will see them more often than anyone else does. Should that be considered?

[44] **Ms Dew:** Absolutely. We have worked quite hard with other initiatives such as the Future Jobs Fund initiative to ensure that some of the concepts of financial inclusion are included in their induction. So, young people who are starting to re-engage with employment are supported with regard to how they manage their money and how to get a bank account. We need to go down a number of routes and our thrust is very much about mainstreaming that kind of support so that when we are not doing this any more, that support and training, which will happen anyway, will include financial capability and financial inclusion intervention.

[45] **Joyce Watson:** Before we move on to Mohammad Asghar, I remind Members that we have a number of questions left to ask and we have less than 10 minutes to get through them.

[46] **Mohammad Asghar:** I will be quick, Chair. Thank you, Katija, for being here to discuss this important topic. Financial education is not only good for the haves, but the have-nots—irrespective of their financial background. My question is on the co-operation between the statutory, private and third sectors. Can you give the committee some examples of positive co-operation that you have seen between the statutory, private and third sectors in delivering financial education? Do you think that there is sufficient co-operation among those sectors?

[47] **Ms Dew:** Your opening statement about the haves and the have-nots is absolutely consistent with our thinking. Further to that, people who are seen to be haves, as opposed to have-nots, often end up being have-nots because they cannot manage their money properly. So, people who are on a moderate income or a lower moderate income end up on a low disposable income because the parameters of financial exclusion stop them from making the most of their money and therefore being able to make choices. So, they end up on a lower income than people who might be seen as have-nots.

[48] To come back to your question, there are many examples of the statutory sector working with the third sector and the voluntary sector. I do not know where you would put landlords and housing associations, because they potentially straddle the statutory and third sectors. Housing associations engage with credit unions, Communities First partnerships, very small advice agencies that have two advisers, for example, and the education system in that area, such as colleges, schools and so on.

[49] As we are short of time, I will allude to where it is potentially not working as well as it might be, namely the private sector. There is some intervention; I have given the examples of Nationwide and Barclays, and I know that NatWest is doing some work. Barclays has been very encouraging and has put its hand in its pocket and paid for various initiatives, which is excellent. However, there is room in the wider private sector for individual organisations and businesses to engage more with the financial exclusion agenda. After all, they have workforces that may or may not be financially excluded. I go to many organisations, there will be senior management around the table, and I will say, 'Who knows which one of you is financially excluded? You could be. It is unlikely, but you may be'. No-one knows who is struggling financially in their organisation or business.

[50] The difficulty, which also extends to the statutory sector, is that there is no regulatory

framework, so organisations have no responsibility to engage with the financial inclusion agenda. I use a three-pronged approach when I try to engage with organisations. First, we talk about the regulatory framework and whether there is any regulatory responsibility; and secondly, the business case for providing some intervention on financial inclusion; and then the social case. In lean times, the private sector, which may be struggling, is probably not likely to engage with the social case for putting its hand in its pocket and paying for some intervention.

[51] **Joyce Watson:** We will move on, and we are down to less than five minutes. The next question is from Eleanor Burnham. If there are any questions that we have not reached that Members think should be placed on the table, I will refer them for written answers, if you would be so kind as to give them.

1.20 p.m.

[52] **Ms Dew:** Absolutely.

[53] **Eleanor Burnham:** Yr ydych wedi crybwyll hanner fy nghwestiwn. A allwch chi roi enghreifftiau o'r bobl sydd â sgiliau gwybodaeth ariannol da ond sy'n parhau i wynebu rhwystrau wrth geisio cael mynediad at wasanaethau ariannol prif ffrwd? Hefyd, a yw pobl yn wynebu trafferthion wrth geisio agor cyfrifon banc sylfaenol?

Eleanor Burnham: You have already mentioned half of my question. Can you give examples of people who have good financial skills and knowledge, but who still face obstacles when trying to access mainstream financial services? In addition, are people still facing difficulties in opening basic bank accounts?

[54] **Ms Dew:** I am aware of the time, so I will try to be as brief as I can. People who are able to manage their money but who cannot access financial services are often people who have undergone a change in circumstances. So, they may be very good at managing their household budget and they may completely understand how to use a basic bank account but have been made redundant in the past, had an overdraft and are now having difficulty in engaging in various services, not just basic bank accounts, and may need some credit and so on.

[55] There are still difficulties in obtaining basic bank accounts. We are trying to monitor that centrally, via the financial inclusion champion initiative. There are several problems with this. First, the banks really need to take their responsibilities on board, and we are working on high-level policy on this matter over the border. Secondly, individuals need to have the confidence to know that when they go to a bank, they are not going to be ridiculed, because they currently feel that they are—you can understand that. There are also challenges do with, for example, providing proof of identity, which is required to open a basic bank account. That is, again, something that we are working on at a policy level.

[56] **Joyce Watson:** Are there any burning questions that Members feel have not been asked today that they would like a written answer to? I see that there are none, so we will finish with Lorraine's question.

[57] **Lorraine Barrett:** I just think that it would be useful to have a note on whether the Government's financial inclusion strategy has made a difference.

[58] **Joyce Watson:** Ms Dew can have two minutes to answer that question now.

[59] **Ms Dew:** I will answer it quickly. The financial inclusion strategy has made a difference. It has certainly helped in the agenda that we are trying to deliver, because it provides a reference for us to give to stakeholders on what needs to be done. It is well written,

in that it provides information for each of the stakeholder sectors on exactly what they can do and the kinds of interventions that they can carry out. One of our challenges, however, is that there is still no statutory responsibility in respect of financial inclusion. So, what we try to do is to piggyback those concepts onto other areas where there is responsibility, for example, in the child poverty agenda, the homelessness agenda and so on. We try to transpose it onto some of those things. However, having that responsibility would make things a lot easier, and it would be easier for stakeholders who want to engage to be able to fit these things into the way that they work.

[60] So, yes, there has been an impact, and we are seeing it, but it is still early days. We are only a year in, and financial inclusion will take a long time to tackle.

[61] **Joyce Watson:** Thank you very much for all the evidence that you have given, written and oral. With regard to the oral evidence that you have given, you will receive a copy of the transcript of this meeting so that you can check it for accuracy. You cannot take anything out that you have said, but you can agree that what you said is indeed what you did say. Thank you.

[62] **Ms Dew:** If there are any other questions, please let me know and I will provide a written answer.

[63] **Joyce Watson:** That is very kind, thank you.

[64] We move on now to the second part of this evidence-taking session. The witnesses are from Shelter Cymru. I welcome John Puzey, the director of Shelter Cymru, Rhian Jones, the education co-ordinator, and Kath Dobie, the projects manager. I am sure that many of you will be aware that Shelter Cymru has submitted a petition of 350 signatures to the National Assembly for Wales calling for the Assembly to apply pressure on the Welsh Government to include information and education about leaving home in the national curriculum. There is some overlap between the petition and these discussions as part of our inquiry into financial inclusion. Members will be kept informed of the petition's consideration by the Petitions Committee.

[65] Given the time constraints, I will go straight into questions. How would you define 'financial inclusion', and how closely is it linked to the housing and homelessness policy agenda?

[66] **Mr Puzey:** A fundamental definition of financial inclusion is enabling people, giving them the tools to make informed decisions. It is very much the philosophy of my organisation that it is not a matter of dictating options to people, or providing services alone; it is about building that capability for people to make informed decisions. That is a fundamental element of any financial inclusion strategy. It would be important not to see such a strategy in isolation, and I am sure you do not, because many other policies and strategies impact significantly on that. You asked about housing in particular, and we are from Shelter Cymru, so that is what we talk about, but it is clear that what happens in housing has a direct impact on people's financial viability. The provision of affordable homes is an example. If people are forced to buy at difficult rates with difficult mortgage products, they may have problems holding on to their homes, as we have seen in recent years. What is happening in housing policy in Wales is vital, and if we are able to provide a range of different options for people, such as intermediate housing options, they will in turn have a beneficial impact on people's financial viability. I suppose that what I am saying is that, in a sense, the strategy should have almost an auditing purpose in the way that it looks at other areas of policy. It should be checking those areas to see whether they have a detrimental effect on financial inclusion in Wales, and on the strategy as it is developing. I have gone beyond definitions, but that is something that I wanted to say.

[67] As for the impact on housing, there is the issue of mortgage arrears and other arrears, and Kath, who knows more than I about the people who use our services, will tell you that almost everyone who comes to us with a housing problem will trail with it a debt problem. The relationship is very clear. We undertook some research a couple of years ago when it was clear that repossessions were beginning to increase disproportionately in Wales. The research, which is still available on our website, recognises the importance of financial inclusion and capability as one of the ways in which we can address mortgage arrears. The research found that many people who find themselves in arrears and going through the courts simply did not understand the kind of mortgage products that they were being given, and were signing up to things that ultimately were unaffordable. Some of the people we questioned did not understand that changes in the interest rate would have an effect on their mortgage, so there is some basic stuff that needs to be done to improve people's awareness through education, advice and support.

1.30 p.m.

[68] **Joyce Watson:** Might financial inclusion mean different things to different people?

[69] **Mr Puzey:** That is quite a difficult one. I would assume that it probably does. The way that we try to define it is to enable people to address problems themselves as best they can. That is not to say that we should not be providing services to assist people, but I suppose that that would not always be seen as financial inclusion.

[70] **Ms Jones:** Some people might see financial inclusion as being a matter of how they can get more money, whereas others might see it as being a question of how they manage money when they have it. In the discussions, when we were talking about the definition, although we reached the same place in the end, the initial ideas were somewhat different. So, the answer is a simple 'yes', I suppose; people would see it differently.

[71] **Joyce Watson:** How good are we in Wales at helping people to develop the skills that they need to manage their finances and to make confident and informed financial decisions for themselves and their families?

[72] **Ms Dobie:** If people are aware of what services are available and can access them, the services are very good. There are not enough of them out there, however, and there is not enough awareness about the services among people who need to access them preventatively rather than at a crisis point. In our support services, debt services and housing services, we see people come to us when they have had court papers or a bailiff's letter; they are not coming to us or to other advice agencies when we could do some preventative work rather than reactive work. It would be good to do the proactive work with people first. What is out there is good, but I do not know whether there is enough in certain areas or whether people know that the services are there.

[73] **Joyce Watson:** We will move on to questions from Bethan Jenkins.

[74] **Bethan Jenkins:** Yr wyf yn deall yr hyn yr ydych yn ei wneud gyda'r prosiect Agor Drysau a'r hyn sydd ynghlwm wrth y system addysg statudol. Fodd bynnag, y tu allan i hynny, ymhlith y boblogaeth yn gyffredinol, yr ydych yn dweud yn eich tystiolaeth bod addysg ariannol yn **Bethan Jenkins:** I understand what you are doing with the Housemate project and the matters that are linked to the statutory education system. However, outside that, in the general population, you say in your evidence that financial education is

[75] 'sparse, intermittent and patchy...and totally inadequate'.

[76] Beth y gallech chi ei wneud, neu beth y gallwn ni ei wneud i newid hwn? A yw'n fater o strategaeth, a ddylai Llywodraeth Cymru gydlynu polisiau, neu a fyddai'n gweithio'n well gydag awdurdodau lleol, er enghraifft? Beth sydd angen ei wneud yn y maes hwn?

What can you do, or what can we do to change this? Is it a matter of strategy, or should the Welsh Government co-ordinate policy, or would it work better with local authorities, for example? What needs to be done in this area?

[77] **Ms Jones:** Yn sicr, mae eisiau gweithio gydag awdurdodau lleol i sicrhau nad yw'n parhau i fod yn

Ms Jones: Certainly, there is a need to work with local authorities to ensure that it does not continue to be

[78] 'sparse, intermittent and patchy'.

[79] Yr ydych wedi sôn am addysg. Mae angen gwneud addysg ariannol yn rhan o'r cwricwlwm fel y bydd yn fwy cyson. Yr ydym eisoes wedi codi'r ddadl hon yn y Pwyllgor Deisebau. Nid wyf yn siŵr ai dyma'r lle iawn i ailgodi'r gynnen honno, ond yr ydych yn ymwybodol o'r gwaith yr ydym yn ceisio ei wneud o ran hyrwyddo addysg ar gyfer gadael cartref. Fel y mae John eisoes wedi sôn, mae perthynas glòs rhwng gwybodaeth, addysg ynglŷn â gadael cartref, a gwybodaeth ariannol.

You have mentioned education. Financial education needs to be a part of the curriculum to ensure greater consistency. We have already raised this argument with the Petitions Committee. I am not sure whether this is the place to raise this contentious issue again, but you are aware of the work that we are trying to do to promote education for those leaving home. As John has already said, there is a close relationship between information, education about leaving home, and financial information.

[80] Fel y dywedais, ni af yr ôl y gynnen ynghylch newid y cwricwlwm, ond efallai y gallaf ofyn i Kath rannu ei syniadau ar sut i wella'r system i bobl sy'n gadael yr ysgol a'r boblogaeth yn gyffredinol

As I said, I will not pursue the contentious issue about changing the curriculum, but perhaps I could ask Kath to share her ideas on how we could improve the system for those leaving school and for the general population.

[81] **Ms Dobie:** In relation to local authorities?

[82] **Bethan Jenkins:** For people outside the education system, in the general population, do we need more strategic thinking from the Welsh Government, working with local authorities? What do you believe needs to be changed in this regard?

[83] **Ms Dobie:** There are certain people who can access services through Supporting People to get some debt advice or budgeting advice. People might access services that way or through other local advice services or agencies. It is a matter of monitoring the people who go through those services and the outcomes for them. You would do this for something like Supporting People, although you might not for a local advice service or agency. In the financial inclusion agendas of some of the housing associations, financial education is quite high on the agenda and they will offer services to their tenants. The same is true of some local authorities. However, this tends to be targeted towards specific groups rather than the general public. There needs to be something to promote everyone rather than individual groups or sectors.

[84] **Ms Jones:** We look at vulnerable groups. All the most vulnerable groups will already be receiving support through other avenues. That is not to say that those services do not require improvement, because that is where we see them as sparse, intermittent and patchy.

However, it involves the more general population, and how we target those people. In Shelter Cymru, we are starting a project that works with employers. It is about early prevention, which is almost pre-prevention. That would then hit the majority of the population, because there is already a focus—although I would not say that it is too much of a focus—on vulnerable groups that are receiving support. It is a matter of improving those services, but also looking at the general population.

[85] **Alun Davies:** I am not convinced that you have answered that question. It is quite a statement to make. Saying that it is ‘sparse, intermittent and patchy’ is not a positive statement. When you read through the written evidence that you submitted, you will see that it is full of phraseology that reflects a belief that financial education is simply not being provided in any coherent and structured sense. In answer to question 4 at the top of the following page, you state that

[86] ‘There needs to be equal and fair provision across Wales’.

[87] The implication of that, of course, is that that is not the case at present. In the third paragraph on that page, you state that

[88] ‘different sectors need to work together to maximize resources’.

[89] Again, the implication of that statement is that that is not happening at present. From reading through your written evidence, you appear to me to be negative about the structures and the delivery that is taking place at present. We have just had a witness from the Department for Work and Pensions, who painted a somewhat different picture of provision in Wales, saying that we have an overall basis of some financial education that is supplemented locally. Our two witnesses this afternoon have given a different tone and a different picture.

[90] **Ms Jones:** The information provided under that question was given by front-line workers offering debt advice services, so, as negative as it may be, I think that it gives a true picture of what is happening. We are a positive organisation, but we are forced to report on what front-line workers are reporting to us.

[91] **Alun Davies:** It is not a criticism. I am asking you to sustain that, because if you are making a criticism of current provision, it is our role as a scrutiny committee to scrutinise what action the Government is taking to put these things right. To do that, we have to have facts at our fingertips. It is not enough to just make a comment or an assertion without sustaining that in oral evidence or in written evidence.

[92] **Mr Puzey:** I will take that criticism. As Rhian said, that is the information that we are getting from the front line. We will go back to the front line and get further evidence of that. We will get some concrete examples to support these statements.

[93] **Alun Davies:** Perhaps you could have a description of where that is, because there needs to be fair and equal provision across Wales. That is fine, and no-one will disagree with that, but why and where is there not a fair and equal provision at present? Is that in relation to a sectoral or geographical approach? It is a broad statement to make, and it is difficult for us to accept that unless we have evidence to sustain it.

[94] **Mr Puzey:** If the committee is happy for us to provide further information to support that statement, we will certainly do that.

[95] **Joyce Watson:** Are you quite happy now, Alun?

[96] **Alun Davies:** I am not happy.

[97] **Joyce Watson:** No, but you have asked everything that you want to ask.

[98] **Alun Davies:** I think that we need to sustain that, but we cannot do that this afternoon.

[99] **Joyce Watson:** To move on, how difficult is it to target financial education at the needs of particular groups? Is there a risk that some might be left out?

1.40 p.m.

[100] **Ms Jones:** I will take this back to the education of young people at school, and to targeting the information. Although I said that I would not come back to the petition, this comes back to the argument about what we are trying to get through on the leaving home petition. Ultimately, if young people are to receive consistent, high-quality information, it has to come through the schools. There is a dependency on organisations such as Shelter Cymru to go in to deliver projects. That is all well and good, and, yes, we are the experts in our field, in the same way as Citizens Advice is an expert in the field of financial education, but the problem with these projects is that they tend to be for the short term. Once the funding ends, which might come from WAG or the Big Lottery, the project ends, and there is no sustainability for young people in future years. Coming back to the point—and I am sorry, but I have lost the thread. You will have to jog my memory regarding the question.

[101] **Joyce Watson:** How difficult is it to target financial education at particular groups? If you identify a particular group as needing this, how difficult is it to target that group?

[102] **Ms Jones:** The point that I was trying to get at is that teachers are better placed to target the information in school work. As an external agency going in to deliver that information, for example, we do not know the particular needs of that group of young people. The information could be tailored by using the people who know those receiving the information. It is very difficult for us to know everybody's information needs. We have seen examples of tailoring information for young people who are not in education, employment or training. Again, however, there will be other specific needs within any group of people who are NEET. So, it is a case of how far you can drill down when tailoring the information. Then, you are looking at one-to-one information, which is quite difficult to provide. That is the point that I would make about young people of school age.

[103] **Joyce Watson:** On this idea of targeting information, do you have an opinion on how accessible financial education might be to people who are leaving care, people who have a disability, or those people who are not in the education system? How difficult is it? Groups have been identified as needing information, and they are many and varied, and so how difficult is it to get the information to those people?

[104] **Ms Jones:** I would not say that I have front-line experience of this, but I come back to the point that I was making about vulnerable groups and the general population. I spoke to a young care leaver last week, who made the point that she has access to more services than other young people who have not been through the care system. It is not to say that she is at an advantage—she has been through the care system. However, in the same way as there are care leavers' fora and disability fora, there are systems in place to provide that information. So, it may be the general population of young people who are missing out. We do not like to use this phrase, but maybe that is the group that is harder to reach.

[105] **Joyce Watson:** That is very useful, thank you. We will move on now to a question from Mohammad Asghar.

[106] **Mohammad Asghar:** Your written evidence makes clear some concerns you have about banks engaging with schools to provide financial education. Could you clarify your concerns to the committee and tell us whether you feel that there is a role for the private financial sector to support financial education directly?

[107] **Ms Jones:** Yes, we make reference to banks going into schools. I remember when I was in school, the banks used to come in. I remember getting a triangular little Nationwide moneybox. There is a role for banks, but we are trying to emphasise the point that they are private companies, ultimately, and so they may have an agenda. They may not necessarily be going in to talk about financial education. They will touch on it, but, ultimately, it may be a case of their saying, 'You can save, so why not save with us?' We are concerned that that would be a little biased and not an independent service. That is not to say that we do not support an approach from banks. I know of local examples of that happening in Cardiff, where banks are working with the Wales and West Housing Association. However, if that is to work, we need some system to monitor how that works, such as someone to check that they are not promoting their own services and that they are being unbiased in what they are doing.

[108] **Mr Puzey:** You could expand that into the issue of advice as well. What is missing from the advice and support services is independent advice at an early stage, upstream, which is not associated with particular finance companies or so-called independent financial advice. In those cases, there is usually—in fact, always—a charge in there somewhere. Who knows what the motivations of some of those are? What is missing is somewhere for people to get advice when they are confronted with issues, even before they become crises. An example would be advice about the appropriate housing tenure, in our field. Our services will deal with it when it is a crisis, when someone is almost about to lose their home, often because of debt issues. The gap is further upstream than that. If people can get unbiased and independent advice at an early stage about the options that they may have, both on finances and housing tenure, that would prevent problems occurring much later. So, there is again that issue of the private sector coming in and making a useful contribution, but there may be underlying motivations that could distort the outcome.

[109] **Alun Davies:** I accept your argument, especially given banks' reputation for financial management. It is a bit like McDonald's teaching healthy living—which it does, of course. [*Laughter.*] Who said that satire is dead? Would you not agree that there must be a role for these financial institutions, to draw it a bit wider than banks, to play in informal financial education? After all, when it comes to people's experience of personal financial management, it is with these financial institutions that many of them will be dealing on a daily basis. Surely, there must be a role—and it might be provided by regulation, I do not know—for financial institutions to advise and support their clients or people who would be their clients, and to provide much greater proactive advice to people on managing their personal finances. Should we not allow that rather than simply recoiling from them because they are private sector institutions?

[110] **Mr Puzey:** I agree. Our mortgage report recommends placing requirements on institutions that lend money to be much clearer about their products, the options and the possible outcomes. There are already some requirements, but we feel that they should be much clearer, taking people through those steps and asking them whether they realise what could happen if they lost their jobs and whether something is really the right product for them. We certainly agree that that should be there, but there is still an underlying concern that that does not always happen, particularly when there are brokers doing things in front of the institutions. That needs to be carefully monitored, and that was part of the problem with the last collapse. We would also argue—and I may be pre-empting your question here—that there is a role for local credit unions and community development financial institutions to work with people. They could also visit schools and talk about financial capability issues.

[111] **Alun Davies:** My question is specifically about outside schools. Certainly, if it is provided, it should be a regulated function rather than simply something that a bank could do as part of its marketing strategy.

[112] **Joyce Watson:** There seems to be huge interest in this, because everyone wants to ask a supplementary question on it. Four different people have all put their hands up, but, if I allow them all, we will go well over time. Could I ask you to send us a detailed response on your thoughts on this subject? Is that okay? Is everybody happy with that way forward?

[113] **Eleanor Burnham:** May I just ask a question?

[114] **Joyce Watson:** No, I cannot do that. Either everyone is happy or no-one is. We will go on to the next question, which is from Lorraine.

[115] **Lorraine Barrett:** Your written evidence highlights local authorities—and I love this phrase—as key ‘problem noticers’, because they deal with housing, social services, education and so on. What role would you like to see local authorities adopting on financial education, from both a strategic and policy delivery perspective, given that many of their staff interact with individuals?

[116] **Mr Puzey:** I cannot remember who agreed to do this one.

1.50 p.m.

[117] **Ms Dobie:** We are aware that, as problem noticers, many local authority support staff deal with clients on a day-to-day basis and are aware of those clients and their financial issues and problems, some of which they are able to deal with, or they are able to refer the clients to agencies such as ours or the citizens advice bureaux to get advice and assistance. The local authorities can facilitate the financial capability fora in their areas, and they can provide information and discuss what is going on in their areas so that we have a national picture. In terms of collecting information, such as for Supporting People, although that has to go through the Welsh Assembly Government, a lot of support services provide information on how to develop budgeting skills, offer advice on income and expenditure and provide financial services. So, services such as these are available. Local authorities can also be involved in promoting services to the public in their areas through the information that they put out, such as internet sites, newspapers and so on.

[118] **Mr Puzey:** ‘Problem noticers’ is a phrase that we use for a couple of the projects that we have developed over the years, called Information Matters. The theory, which is proven, about Information Matters is that you identify those who interact with people who are the ones that may pick up on, understand or recognise that there is a problem. It is like a triage. The key bit is that they know that there is a point at which they need to be referred to someone who will give them further advice and assistance. Clearly, all services—local authority and other services—need to engage in that and understand what is available, and they need to work together to act and triage at the earliest point possible. That is what we are saying in that answer.

[119] **Mark Isherwood:** I think that you have already answered my question to a large extent, as you have already identified the role that credit unions and community development financial institutions can play in financial education. As John knows, I am qualified to Certificate in Mortgage Advice and Practice level, I am an associate of the Chartered Institute of Bankers, I have run school savings clubs, and I go into schools to give careers advice and so on, and I assure you that the motivation is somewhat more pure than you suggest. The Nationwide Building Society is a mutual, not a private, so it is in the same sector as the credit unions and co-operatives.

[120] **David Lloyd:** The banks' fight-back starts here.

[121] **Mark Isher wood:** Under the regulatory system, assessing the ability to pay, the needs of the customer, and knowing your customer are in statute; it was regulatory failure to enforce that that led to the breakdown. Would you like to comment? [*Laughter.*] I am glad that you agree.

[122] **Eleanor Burnham:** I have a supplementary question.

[123] **Joyce Watson:** Will you ask your question rather than a supplementary question? We are having a note on the supplementary questions.

[124] **Eleanor Burnham:** My supplementary question has not been voiced. Do you think that we should beef up basic numeracy skills in schools, either through increased or improved personal and social education or in teaching mathematics as applied mathematics? I used to deal with excluded and vulnerable young people, and they did not even know what percentage was, or whether the annual percentage rate was 1 per cent or 300 per cent. Loan sharks prey on people on their doorsteps with vastly inflated APRs, so do you not think that we should improve the general curriculum? I have another question: are basic bank accounts readily accessible for those who need an account for housing benefit purposes?

[125] **Joyce Watson:** Those were the supplementary questions; could you ask your question?

[126] **Eleanor Burnham:** Do you want me to ask my question as well? How wonderful.

[127] **Joyce Watson:** Yes, please. We will have written answers to the supplementary questions.

[128] **Eleanor Burnham:** Fantastic. Can people with good financial skills and knowledge still face obstacles when trying to access mainstream services? If this is the case, could you give an example?

[129] **Ms Dobie:** Are we talking about people who would be defined as not being in a vulnerable group?

[130] **Eleanor Burnham:** Yes.

[131] **Ms Dobie:** We are seeing a change in client profile, given the current financial problems and issues. People who have been employed for 30 years who have never had a problem or an issue are now coming to us. They might not, perhaps, be aware of where to seek help, nor are they in groups that are targeted for support or campaigns, so they may not seek assistance until they get to the court stage or they get to some crisis, because they are living in their homes and are not classed as a vulnerable group. However, when you are hit by a crisis like this, you become vulnerable. You might not have been vulnerable before, but you are seen as being so now.

[132] **Bethan Jenkins:** Have benefit take-up campaigns contributed significantly to income maximisation in vulnerable households, or does more emphasis need to be placed on education and on budgeting in particular, rather than increasing income? I know that the Welsh Government has benefit uptake schemes and income maximisation schemes. Do you think that the balance should lean more towards financial inclusion as opposed to income maximisation?

[133] **Ms Dobie:** The income maximisation and benefit campaigns are successful because they target people in areas where there is a perceived need. A balance needs to be struck between offering financial education for all and providing it for those who are entitled to benefits, because we tend to promote services to people who we think need them rather than people who might be entitled to benefits. For example, owner-occupiers might be entitled to council tax benefit, and elderly people who own a property might perhaps be entitled to some benefits, but may not see advertisements for benefits or agencies.

[134] **Bethan Jenkins:** I have a tiny question about that. From my experience as an Assembly Member, I see that there is a link between financial inclusion and income maximisation. Many people are forced to fill in arduous forms and give their financial background. Do you think that those are married up at the moment? Even though they are vulnerable and receiving support from other places, they may not even be able to do that properly because they do not have those skills.

[135] **Ms Dobie:** Yes. Having been an adviser, I have filled in thousands of forms, but I look at the ones that come out now and think that I would have to take this away, fill it in and go through it about two or three times before sending it off. Even for people who are reasonably educated, some of these forms are difficult to complete and send in. There is a need for assistance and advice in those areas, which is available from Citizens Advice or from us. However, there is a need for greater knowledge or an awareness that you can get help with these forms that pop through your door, or those that you need to do on an annual basis.

[136] **Mr Puzey:** There is almost a classic systems failure issue here, is there not? People are unable to fill out forms properly, so they sometimes do not get the support, services and income that they are supposed to get, and so it goes to another service, which picks up on that and recognises the problem. Suddenly, you are creating a huge amount of work for many different agencies to do with something that could have been resolved in the first place. More critically, you are creating a vulnerable household, because that issue is in effect in the first place. This goes back to our first comment about how you create that capability among people as a fundamental way of addressing the problem.

[137] **Mohammad Asghar:** What impact has the Welsh Government's financial inclusion strategy had so far?

[138] **Ms Dobie:** We are seeing the financial inclusion champions moving forward in each area, financial inclusion fora being developed, and, in certain areas, financial inclusion is now on the agenda for housing associations and local authorities in a way that it has not been before. We are seeing credit unions developing in areas where they had not developed before and others improving, as well as agencies coming together to work on financial inclusion, mapping out gaps in areas and so on. However, a lot of work still needs to be done.

[139] **Joyce Watson:** I thank the witnesses for taking a very wide range of questions. Thank you for the paper that you submitted and for attending the committee. I need to let you know—although I am sure that you know it anyway because you have been here before—that you will receive a copy of the transcript of the meeting. You can check it for factual accuracy, but I am afraid that you cannot take out anything that you said. Thank you very much.

2.00 p.m.

[140] I welcome Lee Phillips, the financial capability manager for the Consumer Financial Education Body, and Chris Pond, who is the director of financial capabilities and senior adviser at the Financial Services Authority. I welcome both of you. I invite you, if you wish, to make some brief introductory remarks. I remind you that we have 45 minutes left and I am being very strict this afternoon.

[141] **Mr Pond:** Thank you, Chair, for inviting us to speak to you. We are delighted that the committee is looking at financial inclusion and financial capability. As you will have gathered from my rather mixed title, the Financial Services Authority has, for many years, been running programmes on financial capability, which I have been leading over the past two to three years.

[142] Less than a month ago, we established a new organisation called the Consumer Financial Education Body, which was established by the Financial Services Act 2010, and which has the responsibility for taking over those programmes, previously run by the FSA, with the statutory objectives of improving people's understanding of financial services and their ability to manage their finances.

[143] The reason that we are so pleased that the committee is considering these issues is that it is of course very important that people have access to financial services and the wherewithal to make use of them because that can make a significant difference, not only to their material wellbeing, but—as much of the research that we have undertaken shows—also to their psychological and emotional wellbeing. There is a very close link between financial inclusion, namely being able to access those services, and financial capability, which is the ability to make the most of those once you have accessed them. We need to be careful about a Berlin wall that exists between those two concepts, which we feel is not terribly helpful. So, thank you for giving us the time to speak to you today.

[144] **Joyce Watson:** We will now move on to Dai's question.

[145] **David Lloyd:** Fel yr ydych yn sylweddoli, mae'r pwyllgor yn ymgymryd â'r adolygiad hwn ac yr ydym yn dechrau yn yr un ffordd gyda phawb wrth ofyn y cwestiynau sylfaenol a chyffredinol. Felly, sut y byddech yn diffinio cynhwysiant ariannol?

David Lloyd: As you realise, the committee is undertaking this review and we begin in the same way with everyone by asking basic and general questions. So, how would you define financial inclusion?

[146] **Mr Pond:** Financial inclusion is, as I said, the ability to access financial services as well as the ability to make the most of those services, whether banking services or insurance policies—the sort of services that most people now take for granted, but that have a significant effect on their material wellbeing.

[147] The important point is that, yes, you need access to those services, but you also need to know how to use them. As the financial inclusion task force has recently reported, there has been considerable progress in extending access across the UK; in other words, on the supply side of financial services. However, there is now a real need to focus on the demand side; in other words, to help people to understand what those financial services can offer them in their everyday lives and to give them the ability to make use of those services.

[148] **Joyce Watson:** The next question is from Mohammad Asghar.

[149] **Mohammad Asghar:** How is the Consumer Financial Education Body contributing to the provision of financial education in Wales and how important is the new face-to-face service likely to be?

[150] **Ms Phillips:** In Wales, we work very closely, and as far as we can strategically, with the people who deliver the financial capability work throughout Wales. So, for example, we work very closely with the financial inclusion unit, based in the Welsh Assembly Government. We also work very closely with Katija Dew, who I believe was here earlier

talking about the financial inclusion champions' work. However, on influencing policy, we also try to work with people who deliver on the ground so that we ensure that those resources are available. So, for example, we will attend capability fora in north, south and south-west Wales as well as engage with the 22 local authorities across Wales as and when we can. If there is a supplementary question to that regionally, I would be happy to answer it.

[151] **Mr Pond:** As you will have heard from that answer, almost everything that we do is in partnership. One of the reasons why what is happening in Wales is important to us as a new body is that much of the good practice that is going on around the UK is located in Wales, and some of the partnerships that we have been able to develop here have been very fruitful. That acts as a template for what could be achieved elsewhere in the UK.

[152] **Ms Phillips:** An example of that would be the new domestic abuse strategy that has just been launched. As part of the actions in that strategy, we will provide money and guidance to the domestic abuse centres between now and Christmas in Merthyr Tydfil and Blaenau Gwent. At the end of the year, we hope to be providing money guidance across the whole of Wales. We have made sure that that has complete support—the domestic abuse team has written the strategy—so that the work that we do is keyed into the strategy to ensure that we work with them to reach as many people as we can.

[153] **Mohammad Asghar:** I think that you have answered my question.

[154] **Mark Isherwood:** In terms of social groups, communities, geographical areas and so on, where do the gaps in the provision of financial education currently exist?

[155] **Mr Pond:** I will answer that first in general terms, because I know that Lee will have some thoughts about where those gaps exist in Wales in particular. As you will have heard, our approach is to focus on people's life events—points in their lives when they are most receptive to, and most in need of, financial education. So, the programmes in schools are important because you have a captive audience. If you can improve young people's financial capability, you give them a skill that will be important throughout their lives.

[156] With regard to the rest of our programmes, we have programmes in colleges and universities for those young people not in education, employment or training, and for young parents. Virtually every new parent in the UK—1.3 million of them—now receives the parent's guide to money. When people are facing redundancy or are about to retire, those are key stages in people's lives. The fact is that that strategy can reach a very large number of people at the right time, but there are gaps in that provision. Some groups of young people are among those. We have programmes for young people not in education, employment or training, but I cannot pretend to you that they are reaching as many as we would like or those most in need of that help. We have programmes for people who face mental health challenges, but there is enormous potential there for further development. For groups facing domestic violence, much more needs to be done. So, gaps generally exist, but Lee might be able to help the committee with what is happening in Wales in that respect.

[157] **Ms Phillips:** The overall picture is not dissimilar in Wales. We are doing some work with prisoners in Parc and Cardiff prisons, but the funding for that finished in March. It is about what we can help with. We are working with midwives to try to ensure that all expectant parents across Wales receive a copy of the parent's guide to money in a children's centre or in Flying Start areas, but we also know that that is not getting to all parents across Wales at the moment. So, there are gaps in that regard.

[158] We provide a one-day training course for youth workers across Wales who work with people who are not in education, employment or training and on other grounds as well. However, we are not reaching all those people. We are not working with every local authority

across Wales at a community level or more strategically around local service boards and things like that. Those are the gaps that we are coming across at the moment.

[159] We are trying to work very closely with the Welsh Assembly Government to make sure that what we are delivering fits into its financial inclusion strategy. As the gaps are identified in that strategy, I hope that we will help to meet those needs.

[160] **Mark Isherwood:** Is there a rural issue?

[161] **Ms Phillips:** Yes. In Wales, at the moment, we are procuring money guides. We hope that, by the end of this year—although it may be the beginning of next year, as we all know how procurement things tend to go—there will be someone available to sit down and give one-to-one support on money issues across Wales. That will be available across urban and rural areas. Whoever picks up the procurement will be expected to deliver in rural areas.

2.10 p.m.

[162] **Alun Davies:** It is good to see you here. I have questions on education. You have explained and described in your written evidence the structures that are in place to provide financial education in the formal school sector, and you have described the work of the financial education unit in the Welsh Assembly Government. I understand that you are assessing the work of that unit and that you will be publishing that assessment later in the year. Without wishing to prejudge that or to draw you into too much detail on that, how effective is the delivery of financial education in schools in Wales?

[163] **Mr Pond:** It is quite effective, in the sense that in Wales—unlike England, I am sad to say—financial education is now embedded in the curriculum. I suspect that that is because the profile of financial education in schools has been raised. That has been adopted by the Welsh Assembly Government as something that it is important to ensure that all children receive consistently across Wales. The resources that are available to support the Welsh financial education unit are inevitably finite. We would like to see more resources made available and we may need to lever them in from elsewhere.

[164] In the previous evidence session a few moments ago, you talked about the role of the private sector. It seems to me that the private sector could make a bigger contribution to these sorts of programmes, as could the Government or the third sector. On the overall evaluation, we are learning a number of lessons about how to make that provision even more effective, and we will seek to learn the lessons from that. That is partly to do with co-ordination, and partly, without pre-empting the outcome of that evaluation, to do with ensuring that teachers have the confidence to deliver these programmes and that they are given sufficient priority in schools.

[165] **Alun Davies:** The committee would be interested to see the results of that evaluation. If you could send it to the clerk, that would be useful.

[166] **Mr Pond:** I would be pleased to do so.

[167] **Alun Davies:** In your evidence, you say that

[168] ‘many teachers do not have the confidence to teach this part of the curriculum.’

[169] Will you expand on that?

[170] **Mr Pond:** There is a real issue in that many teachers feel that they are not particularly financially capable. That is a characteristic that they share with a large proportion

of the population and, therefore, they feel that they are not well equipped to be able to teach this subject to children. Therefore, the focus of the programmes that we are undertaking in schools in Wales, as well as in Scotland, Northern Ireland and England, is to give teachers that confidence. We have found that the programmes that we have been leading, or at least supporting, have been effective in ensuring that teachers feel confident to go into a classroom and see this as a subject that could ignite the imagination of children. It does not have to be dry and tedious. All kids enjoy playing shop and going shopping with their parents, which is a basic skill that they need in terms of financial education. We are on the foothills of this so far; we have not reached the summit of the mountain. Nevertheless, we are making real progress and we will make still more.

[171] **Ms Phillips:** May I add to that that? We also know that a lot of agencies go into schools and help and support teachers by delivering more relevant information and case studies from the local environment and communities. We are trying to encourage the embedding of that as part of the wider learning at the school. The teacher has the educational knowledge and is able to link all that experience that is coming in to the wider curriculum across the school. For example, representatives of a citizens advice bureau may go in and talk about real-life debt, how that might work and what it might look like. That could be filtered into a maths lesson to make it more relevant, or into a personal and social education lesson, where you could look at real experiences in the community.

[172] We need teachers who feel comfortable in delivering that, but who can also support the people who are coming in and make it a much more sustainable educational experience. If you come in from an external organisation and do a lesson with a class, you might have 30 minutes with 30 children and young people, and then you go away again. We would like for the teacher to pick that experience up and make it more sustainable, so that a confident teacher who understands the issues and is comfortable in teaching the subject can then be with those 30 children the next week, the week after, and the week after that, and next year. That may not happen with an organisation coming in. Such an organisation may not understand educational outcomes and how they might work in the classroom, and it may not understand the young people it deals with for those 30 minutes.

[173] **Alun Davies:** You will have seen in the previous session that we had a small discussion on the use of the words 'sparse, intermittent and patchy' as a description of the availability and provision of financial education in Wales. Is that a description that you would recognise?

[174] **Mr Pond:** Inevitably, we have to say that it is not yet as comprehensive as we would like. We can ensure that some of the programmes reach almost every part of the audience that we need to reach. For example, the parent's guide to money is now going out to almost every new parent in Wales. We are seeing an extension of the programmes in schools, but in areas such as further education or higher education, provision does remain patchy. We are working on a partnership model, so we really need other institutions and organisations to engage with us in delivering these programmes, because, as with the schools programme, it is no good the Financial Services Authority or the Consumer Financial Education Body trying to get in to schools to deliver these programmes. They have to be delivered by parents. The parent's guide to money is distributed by midwives and health visitors. Many of our programmes with cancer charities are delivered by the people who work with those charities, by people living with cancer and by their carers. You have to use trusted intermediaries and one of the compromises that you therefore have to make in that partnership approach is that provision is not wall-to-wall; you will have vacuums where you are not able to reach the same level of provision. Over time, I hope that we will be able to fill those gaps and ensure that every individual has an opportunity to access the programmes.

[175] **Alun Davies:** After the session, could you perhaps outline to us in writing where

those gaps are in Wales and whether they tend to be sectoral, geographic or a mixture of both?

[176] **Mr Pond:** I think that the answer will be that it would be a mixture of both, Mr Davies, but we will certainly be happy to share that in writing with the committee.

[177] **Alun Davies:** As a committee, we would certainly be interested in knowing whether there are statutory bodies or public sector organisations that are unable, for all sorts of different reasons, and perhaps understandable reasons, to deliver those sorts of projects on the ground. That is something that the committee would be interested in.

[178] **Mr Pond:** May I take the opportunity to anticipate where some gaps might develop? Lee has mentioned the money guidance service, which we have been running as a pathfinder for two years in two regions in the north of England, and which we have been given authority to roll out nationally. We have some money guides who are directly employed by CFEB and who are operating in Wales. As Lee said, we have started the procurement process to ensure that we have face-to-face provision throughout Wales. I have to say that, with the change in circumstances in Government in the UK, there will be a pause in the process of gaining certainty about whether we will be able to roll out face-to-face provision as quickly as we would have liked. I am still confident that we will be able to do it, but I ought to not mislead the committee into thinking that we will be able to drive ahead at the speed at which we had hoped.

[179] **Joyce Watson:** We look forward to receiving your note. We move on now to questions from Lorraine.

[180] **Lorraine Barrett:** My question follows on from what you have been talking about, with regard to the harder-to-reach groups and how we ensure that every element of society has financial education opportunities. I am thinking particularly of black minority ethnic communities. I represent this area, which has a high proportion of BME individuals. I am thinking particularly of the Somali community. Within the education system in this area, children from Somali backgrounds are lower achievers, factually—lower than other BME groups, as well as lower achievers in general. It is a case of getting through to those groups, and perhaps the elders in the Somali community. Are there opportunities to work with their support groups? There are quite a few BME support groups in the area and women's support groups, which the Chair in particular will know about. There is a Somali advice centre, for example. Have you had any opportunity to give consideration to that?

2.20 p.m.

[181] **Ms Phillips:** No, we have not done that in Wales, but what we can do, as part of the money guidance service, when it comes available, is ask that specific groups of need are catered for more locally. I am more than happy to go to the Somali advice centre in Riverside, for example, to talk about what resources are currently available to ensure that they are keyed in. We try to ensure that what we provide is available online and in hard copy and that people can call to talk to someone as well. So, we try to ensure that people can access services through whichever media they wish to use, but I am more than happy to visit groups to try to ensure that people are aware of what exists and that they can use that.

[182] **Lorraine Barrett:** I suppose that the same applies then to other interest groups, such as people with disabilities or people who have caring responsibilities, who can feel quite isolated. I think that Shelter said that there are some groups of people who have access to lots of information anyway by dint of whatever their difficulty may be.

[183] **Ms Phillips:** What Shelter calls problem noticers we call trusted intermediaries, and

what we try to do is ensure that people who are out there working in the community are aware of what resources are available and help to provide that. So, for example, in Merthyr Tydfil and Blaenau Gwent, where we currently have a money guide, we are trying to ensure that as many organisations as possible that work in the community are aware that our money guide is there and that they can refer people to the money guide directly, so that people can have one-to-one support. So, those trusted intermediaries or problem noticers are aware that that person is there and we will, hopefully, be able to have this rolled out across Wales once our procurement is done.

[184] **Bethan Jenkins:** Thank you for your evidence. You note in your evidence the important role that local authorities play in tackling financial exclusion. Can you give examples of where that has worked successfully and do you also think that there is more of a role for the third sector to play in this agenda?

[185] **Ms Phillips:** I can certainly give examples from some local authorities. What we try to do is to look at authorities in two ways. Authorities work in the community and provide local services, but they are also employers. So, for example, Cardiff employs 18,500 people, which is quite a chunk. So, what we tried to do was to provide financial education in the workplace, which was available to all council employees in Cardiff. We held a face-to-face seminar and every member of staff in Cardiff council also received one of our yellow booklets, 'Making the Most of your Money', which highlights a range of issues from budgeting through to insurance, borrowing, saving and retirement, which are the basics that you need to understand. So, Cardiff sent that booklet out to its 18,500 staff. So that is an example of a local authority working on this issue as an employer.

[186] With regard to delivering services, at the beginning of this year, for example, we were on Anglesey and worked with the children's framework organiser and the Flying Start and Genesis co-ordinators. We worked with their partners, who are people working with children and young people on the island, and delivered a morning session. Part of that session was on making the most of your money and highlighting the basics that you need to understand about your own money. We personalised it and made it about them, not about the people whom they work with, because we find that that is useful. If people understand why it is important to them, then they can more easily see how it is important to others, whereas they might not have done so before.

[187] We started by doing that and then we looked at the parents' guide to money, which is being distributed as we mentioned. We also looked internally into that—what it looks like, what is involved in it, why is it useful for it to be distributed—to give people an understanding of why they are distributing it. We also looked at the Welsh Assembly Government's seven core aims for children and young people across Wales. What we did as an exercise was to help people identify how financial capability has an impact on each of those seven core aims. The last aim is keeping children and young people out of poverty, but, without financial capability, how can you have a safe and warm home, how can you engage in education and learning or with all of those out-of-school activities, and how can you keep out of fuel poverty? So, we were trying to identify how that linked up. We did the same in Cardiff when it was doing its child poverty strategy, which local authorities are being asked to do. We helped it to identify financial capability and how it fitted across those seven core aims, so that it could start looking at child poverty locally and how financial capability fits into that. That is where all of the local authorities now have to put these child poverty strategies together. If we can get financial inclusion or financial capability into that, we can start embedding it into statutory delivery, which is not there at present.

[188] Also, for example, places such as Wrexham have very active family information services and so forth. So, they are using a lot of our resources through that. For the parenting groups in Flintshire, they have family learning and they use financial capability and the tools

and resources that we provide. Therefore, all kinds of things are happening. Does that help in some way?

[189] **Bethan Jenkins:** Yes, definitely.

[190] **Mr Pond:** To add to the third-sector element, it seems that the third sector can play a critical role in this. I have mentioned the partnership model. We work very closely with organisations such as Mind, the National Autistic Society and with a number of disability charities, and it seems that many of the community development finance institutions and the housing associations—and that whole range that would be considered part of the third sector—can play a very important role if they embed financial capability and financial inclusion into what they are doing, because they are the trusted partners for the groups that they are seeking to serve.

[191] **Eleanor Burnham:** Yr ydym wedi clywed am bobl mewn tloedi, ond a ydyw yn wir bod pobl sydd â sgiliau a gwybodaeth ariannol gwell yn parhau i wynebu rhwystrau wrth geisio cael mynediad at wasanaethau ariannol prif ffrwd, ac, os felly, a oes gennych enghreifftiau? Hefyd, a ydych yn cytuno â'r wybodaeth anecdotaidd ynglŷn â phrofiadau pobl o anawsterau wrth ymdrechu i agor cyfrif banc sylfaenol?

Eleanor Burnham: We have heard about people in poverty, but is it true that people who have better financial knowledge and skills continue to face obstacles when trying to access mainstream financial services; and, if so, do you have examples? Also, do you agree with the anecdotal evidence about people's experiences of difficulties when trying to open basic bank accounts?

[192] **Mr Pond:** We have to be realistic and say that financial capability and financial inclusion make up only one ingredient in the challenge of tackling poverty, but they could be quite an important ingredient. That is why the Financial Services Authority started to undertake a lot of partnership working on the issue of child poverty with a number of organisations. Some of the work that we have done on economic wellbeing suggests that, even if you hold income constant, you can nevertheless improve people's psychological and material wellbeing by improving their financial capability.

[193] **Eleanor Burnham:** I think that I read in your brief about the psychiatric implications—with reference to work with one of those psychiatric bodies—and that half the people with debt problems also have mental issues.

[194] **Mr Pond:** That is quite a stunning statistic and, of course, it runs in both directions, because those who face mental health challenges may be more likely to be in debt, and those more likely to be in debt will face mental health challenges. Some of the research that we have commissioned shows that just moving people from low levels of financial capability to average levels of financial capability can reduce anxiety and depression by between 7 per cent and 15 per cent. Therefore, it can have a significant impact overall. We are not pretending that it is a panacea to deal with problems such as poverty, but we think that it could make a contribution to improving the wellbeing of those groups.

[195] **Ms Phillips:** It is not just about poverty. There are people who are not financially capable, but who have a wealth buffer. Therefore, if they make inappropriate financial decisions, perhaps the outcome of that is not as hard as that for someone in poverty. Just because you have a good salary or have money does not mean that you are particularly financially capable.

[196] **David Lloyd d:** Yr ydych wedi cyffwrdd â'r materion hyn eisoes, ond, ynglŷn â'r angen i gynyddu incwm ac i leihau

David Lloyd d: You have already touched upon these issues, but, in terms of the need to raise income and reduce debt, you have

dyled, yr ydych wedi sôn yn eich papur, ac yn awr, am yr hyn a wnewch o safbwynt cyflwyniadau addysg ariannol yn y gweithle. A allwch roi ychydig mwy o fanylion ynglŷn â'r cyflwyniadau hynny yn y gweithle o safbwynt pa mor anodd ydyw i newid agweddau pobl wedi iddynt dderbyn eich cyflwyniad, a pha mor lwyddiannus yw'r model hwnnw o ddarpariaeth addysg ariannol?

mentioned in your paper, and just now, what you are doing in terms of financial education presentations in the workplace. Could you give us a little more detail about these presentations in the workplace with regard to how difficult it can be to change people's attitudes after they have had your presentation, and how successful that model of providing financial education is?

2.30 p.m.

[197] **Mr Pond:** It is proving to be remarkably successful and perhaps more successful than we could have anticipated. We have been running the workplace presentations now for probably two or three years. We have about 650 volunteer presenters around the UK who undertake a one-hour presentation in the workplace. It costs the employer nothing other than to give their staff an hour during working hours to come together to listen to the presentation. We provide everything else, and it is backed up by printed materials and website facilities. In the evidence, we show the extent to which it changes people's behaviour in that there is a very effective call to action. People emerge from these presentations, having focused for only an hour on how they could improve their position, and, as you saw in our presentation, a quarter go on to sign up to their employer's pension schemes and another significant proportion increase their pension contributions or think about saving. We have had some startling examples, whereby people have saved literally thousands of pounds by checking their credit rating, finding it to be inaccurate, getting it put right and then finding that they are paying lower rates of interest on their mortgage as a result.

[198] So, the programmes are very popular and successful. In the past 12 months, we have been focusing the programmes on places where people are facing redundancy, and we have worked closely with Jobcentre Plus on that. That is the stage at which people really need some additional guidance and support and confidence in dealing with their finances. If, at the early stages of redundancy, and, hopefully, before redundancy starts, you can give people those skills to sort out their finances you do two things. First, you minimise the financial impact over the period of redundancy, and, secondly, we hope, you also minimise the psychological damage caused by the process of redundancy and unemployment. So, the programmes are proving successful.

[199] **Ms Phillips:** I have delivered some of these presentations across Wales. It is very useful just to explain that it is not rocket science; we talk about very basic stuff. For example, we ask people whether they check their bank statements or whether they just look at the bottom line and think, 'Yes, that is about right'. It is about understanding where you spend your money so that you take control of your finances rather than them taking control of you. An example that I use when I am giving these presentations is that I travel across Wales a great deal, as I am responsible for the work we do in Wales, so I will stop every now and again—as you should—and have a cup of coffee, which, depending on where I go, will cost anything from 70p to £2.90. I have figured out that, if I do that three times a week, over the course of my career, I will spend £16,000 on coffee. Do I want to spend £16,000 on coffee? If I do, that is fine, but the issue is whether I know that that is what I am doing. That is how we start these seminars.

[200] It is about asking people whether they know where they are spending their money. We ask them whether, when they take £20 out of the cash point on Sunday and it is gone by Tuesday, they know where it has gone. What have you spent your money on? Have you spent a week sitting down logging every penny? Where is it going? What are you spending it on?

Then we move on to looking at borrowing money and whether people have checked their credit rating. We know that one in four people in Wales does not know what APR really means. People think that it is the interest rate, and they do not realise that it includes administration fees and other upfront fees and that they can use that as a comparison. We explain that. We also explain that an interest-only mortgage is what it says on the tin—that it is only the interest and that, by the time you have finished paying the interest over, for example, 25 years you will still owe whatever you borrowed to pay for the house. We provide simple, basic information. So, often, people may not have learned anything, but they will have been spurred into doing something about their situation.

[201] The seminars are an hour long. People are hit with lots of information, but we hope that people come away and actually do something different. It might be as simple as writing a will; it might be ensuring that you have the most appropriate car insurance; or it might be that you understand what APR is, although you may have thought that you understood it before. Many people start to understand pensions, why you might need to save and how little you need to save if you make an earlier start in order to have a reasonable pension. So that is what the workplace presentations are. At the end, we include employee benefits. We can cover what contribution your particular employer makes to your pension or deal with the fact that, if you have a certain number of days for which you would get sick pay, you can use that as an excess on an insurance policy. We point out things as simple as free car parking. Often, people laugh when we point out that they get free car parking, but I have worked in Cardiff before and, having spent £12 a day to park my car, I understand that free car parking is a perk that, overall, has an impact on my financial management.

[202] **Lorraine Barrett:** What impact do you think the Welsh Government's financial inclusion strategy has had so far?

[203] **Mr Pond:** I will begin, if I may. As I said a little earlier, a lot more progress has been made in Wales than has been made elsewhere. We are not pretending that it is a case of 'job done'. As we have heard in this session and in your previous sessions, a lot more could still be achieved. However, as an organisation working in this specific field, we have to pay tribute to what has been achieved. We have to consider the impact not only in Wales but beyond and act as an example or a template for what could be achieved elsewhere. That is certainly one thing that we do unashamedly. When we see examples of good practice in one part of the UK, we use it as an example of what should be done elsewhere. So, we have to pay tribute to what has been achieved, but we must also acknowledge that there is still a lot more to do—both for partnerships and the resources that will be needed.

[204] **Ms Phillips:** I want to pay tribute to the financial inclusion unit of the Assembly Government. It works hard, and a lot of the work that we have achieved in Wales is directly down to the work that happens there, as well as to the financial inclusion champions. We could not do what we do without all that work. The financial inclusion strategy was particularly timely and added a lot of momentum, but it is not statutory, so it depends on a lot of people's goodwill and an awful lot of persuasion and influence through the Welsh Assembly Government team, and no stick, so to speak. That means that if it is not on some people's priority list, it does not happen. Perhaps there is a way of adding some kind of statutory duty to local authorities or others, as that would help.

[205] There is quite a detailed action plan as part of that strategy. A lot of the financial capability work as part of that action plan is work that we will be delivering for the Assembly Government across Wales. So, it is helpful for us to ensure that we are keying in at an appropriate level and delivering what is needed in Wales, not what we would like to do. Therefore, it ensures that it is right in this environment, which is great.

[206] The strategy has certainly helped, but I would say that there is more to do. There is an

awful lot of influence and persuasion behind that, and it may help to have something more.

[207] **Joyce Watson:** We have finished almost on time, which is brilliant. I thank you for your paper and for attending the meeting to answer questions this afternoon. You will be sent a copy of the transcript of the meeting, which you will have the opportunity to check for factual accuracy, but you will not be able to take out anything that you have said. Thank you very much,

[208] **Ms Phillips:** Thank you very much for having us. Diolch yn fawr.

2.38 p.m.

Cynnig Trefniadol Procedural Motion

[209] **Joyce Watson:** Subject to the committee's agreement, I would like the remainder of the meeting to be held in private. I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37(vi) to allow the committee to consider the draft report on its inquiry into making the most of major sporting events.

[210] Are we all agreed? I see that we are.

*Derbyniwyd y cynnig.
Motion carried.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 2.38 p.m.
The public part of the meeting ended at 2.38 p.m.*