

**Developing Financial Capability in the UK:
Key Points and Recommendations
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1. The drivers for improving financial capability are well known and the problems are universal. The current turbulence in financial markets makes it all the more important that consumers understand their choices and make good financial decisions.
2. Initiatives to improve financial capability are fairly well established in the UK, through the FSA National Strategy – which includes baseline measurement - and the Government’s long-term approach. There is also a significant contribution from private and voluntary sectors.
3. Between them, these programmes cover schools, young people, new parents, and the workplace.
4. Government initiatives to encourage saving complement these initiatives and provide an opportunity to embed financial capability. These include the Child Trust Fund – a universal savings scheme for children; the Saving Gateway – for low earners – and a new system of occupational pensions, Personal Accounts, to be introduced from 2012.
5. The Government is also planning to introduce a universal ‘money guidance’ service, to provide impartial information on personal finance through the web, telephone and face to face. The service is being trialled in the north of England from early next year. Early pilots were positive about the need for such a service.

Recommendations

6. Make financial education someone’s job. It doesn’t matter whether this is Government, regulator or a specially created office. Financial education needs a leader.
7. Define and measure *your* problem. Every country is different.
8. Set goals – initially at least these are likely to be intermediate outputs such as numbers of people reached.
9. It is never too early to start – education in school is vital.
10. Information is not enough – people need trusted and impartial sources of advice.
11. Understand what triggers interest.
12. Be patient!