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Systems and structures for financial education – the UK's approach

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Defining financial capability

- Skills, education, understanding, confidence, motivation, empowerment...and more
- Baseline research on levels of UK financial capability:
 - Making ends meet
 - Keeping track
 - Planning ahead
 - Choosing products
 - Staying informed





Vision for financial capability

“Better informed, educated and more confident citizens, able to take greater responsibility for their financial affairs and play a more active role in the market for financial services”





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Financial capability: who does what?

**Financial Services
Authority**

Office of Fair Trading

**Not for profit
organisations**

UK Government

**Financial services
firms**

Trade associations

**Devolved Govts: Scotland,
Northern Ireland, Wales**

Firms/employers

Academics





Financial Services Authority

- Objective to “promote public awareness of financial system”
- Leads UK National Strategy for Financial Capability
- On track to reach 10 million people by 2011
- Around £22m a year directed to financial capability from levy on FSA-regulated firms
- Office of Fair Trading (regulates consumer credit) has broader consumer remit: runs consumer rights helpline and campaigns





FSA-led National Strategy for Financial Capability

- Learning Money Matters - schools programme
- Money Doctors – higher education (universities)
- Young people not in education, employment or training
- Make the Most of your Money – workplace
- Parents' Guide to Money
- Partnership
- Online information and tools - www.moneymadeclear.fsa.gov.uk





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Government

- Champions financial capability
- Leads public policy and legislative changes
- Financial capability embedded into public policies and programmes e.g. schools, pension reform, skills
- HM Treasury responsible for co-ordination of agenda across departments; also interface with devolved governments on financial education in schools
- Leads financial inclusion agenda





Financial services firms

- Funding via FSA levy
- Sponsorship of individual programmes
- Volunteering
- Trade associations lead programmes across sector
- Other firms also support financial education to own staff





Third sector (not for profit organisations)

- Deliver programmes; partnerships
- Coordinating role in aspects of agenda e.g. Personal Finance Education Group and Citizens Advice
- Identify gaps and seek funding
- Trusted and local
- Growing academic interest in financial capability among UK universities – research and evaluation





Recent developments

- More joint working between FSA and Government – joint financial capability action plan and joint Money Guidance pathfinder
- Greater profile for financial capability, especially within Government
- Money Guidance – 50% funding from industry, 50% from Government





Structures set to change?

- Announced plan to establish independent consumer education and information authority
 - remit focused on financial education
 - strategic lead for financial capability
 - independent of FSA but retain lines of accountability
 - funded by financial services industry (FSA regulated firms – plus consumer credit firms regulated by OFT?)
 - operational capacity
 - variety of funding sources possible
- Plans have been welcomed and Government intends to legislate





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More information

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Any questions?

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