

1. Do you think that the Strategy has covered the areas that need to be addressed if we are to achieve our aim of reducing financial exclusion and promoting financial inclusion?

What other steps do you think need to be taken to promote financial inclusion and why?

Developing a financially inclusive society is a key element of the social inclusion agenda. Consumers without access to certain financial products, services, knowledge and advice end up becoming excluded from many aspects of daily life that others take for granted.

Consumer Focus Wales welcomes this Strategy and Action Plan. The need for a clear and robust plan to improve financial inclusion has never been greater as the impact of the current recession grips households across Wales.

We strongly agree with the Strategy's five core themes – access to mainstream financial services; providing affordable credit and savings; improving access to financial and debt advice; increasing financial capability and income maximisation. If financial exclusion is to be effectively addressed, co-ordinated and cross-cutting action is needed across a range of areas at many levels. Any aspect delivered in isolation is unlikely to achieve the desired outcome.

The work on debt and financial exclusion undertaken by one of our legacy bodies, the Welsh Consumer Council, showed the extent of the problem in Wales which is only likely to be exacerbated by the current recession. With many people facing redundancy and unemployment, and essential living costs, such as food, energy and other household bills, continuing to soar, even more consumers will struggle to manage their finances in the coming months. In many ways, initially at least, people who are more financially *included*, such as mortgage holders or those with savings and investments, are more likely to be suffering the impact of the current economic climate than individuals who have little or no interaction with the financial services industry. However the increasing severity of this recession poses a number of threats to progress already made in improving financial inclusion.

These are likely to include:

- increasing debt levels/consumers' ability to cope with mortgage/rent payments; credit commitments and household bills;
- mainstream financial service providers being even less willing to offer credit to those deemed high risk borrowers;

- bank mergers leading to the closure of more high street branches;
- people are more likely to become vulnerable to exploitation from high cost/illegal lenders and/or 'buy and rent back' schemes¹;
- people's trust in banks/financial institutions has been reduced;
- immediate concerns may outweigh perceived need for long term protection (eg. savings, pensions and insurance);
- the limited capacity of advice services to cope with increasing demand.

There is no doubt these are tough times and the situation is predicted to remain so for some considerable time to come. We note the Strategy has acknowledged the challenges facing the financial inclusion agenda under such difficult economic conditions but we also believe these provide opportunities for developing work in this area, particularly in relation to improving financial capability (see later section).

We also believe it is important to consider the wider impact financial exclusion and its consequences can have on a person's overall health and well being. People who are financially excluded are also more likely to be living in poverty, be fuel poor and suffering from poor health. They are also less likely to use the internet (meaning it can be more difficult for them to compare products and services easily and find the best deals).

With that in mind, it is a critical that action to tackle financial exclusion is not disconnected from work being taken forward in other areas, particularly where responsibility lies with other departments in the Welsh Assembly Government. We welcome recognition within the Strategy of the need to improve links between tackling fuel poverty and financial exclusion, and believe similar 'joined-up' approaches need to be put in place as part of the implementation of other related strategies and action plans (eg. Health, Social Care and Well Being Strategies; housing; improving public services and access to information and communication technology; and rural development programmes).

¹ i.e. when homeowners are offered the option of selling their properties at discounted rates - sometimes for as little as 60% of its market value - in exchange for tenancy arrangements

2. Do you think that we have identified all the issues and concerns associated with reducing financial exclusion and promoting financial inclusion?

If not, what do you think we have missed and why do you think that this is important?

6. Do you agree that the proposed action plan identifies achievable and measurable actions?

7. If not, what other actions can the Welsh Assembly Government take to encourage and promote financial inclusion?

We believe the Strategy is comprehensive and many of the issues associated with promoting financial inclusion have already been identified. There are however some additional points, as detailed below, which we believe deserve further consideration.

We are pleased to see an Action Plan with associated indicators, timescales and responsibilities but feel in some areas the detail is lacking, particularly in relation to implementation.

Theme 1 - Access to mainstream financial services:

Bank accounts:

As recognised in the Strategy people without a bank account, or those who prefer to manage their finances in cash, frequently end up paying more for particular products and services.

There has been a concerted effort by the UK Government over recent years to reduce the number of 'unbanked' individuals, largely driven by the direct payment of benefits into bank accounts or their more limited equivalents, e.g. the Post Office Card Account (POCA). Research from one of our legacy organisations, the Welsh Consumer Council, found there has indeed been a drop in the number of people without a bank account in Wales (latest figures for 2007 show around 190,000 adults remain without an account)². However, the fact remains that even if they do have an account a large proportion of consumers, particularly those on a low or limited income, do not use their bank account to its full potential and continue to make the majority of their financial transactions in cash.

Recent research by Consumer Focus Wales examining the 'poverty premium' as it applies to financial services³ confirmed paying by cash was an *active choice* for the majority in the study. Primary reasons for zero or restricted use of bank accounts

² 'Access to Cash', Welsh Consumer Council (August 2008)

³ Consumer Focus Wales commissioned Beaufort Research Ltd to undertake four focus groups at locations across Wales. All those who took part in the study had dependent children in the household, were living on a low income and tended to manage on cash budgets. The research took place in March 2009. Due to the qualitative nature of the research the results should be treated as indicative rather than definitive.

centred on the need to maintain control over their finances, the fear of debt (often compounded by negative experiences of unauthorised overdraft charges), and mistrust or suspicion of banks, in particular how they administer direct debits. In addition, for some there were concerns around the security of accounts and identity theft.

People are generally aware of the penalties for using cash to pay certain bills, as opposed to direct debits, but in the research we conducted the perceived advantages for using cash (as noted above) are felt to far outweigh the extra cost.

Work to encourage greater use of bank accounts needs to address consumer concerns but this cannot be achieved by government alone, the banking industry also needs to show greater commitment to the promotion of basic bank accounts, taking into account the needs and circumstances of low income consumers. This includes building greater flexibility into direct debit services, such as implementing a 'safety net' of five working days for money to clear or a free £10 'buffer zone' - currently less than one in three banks and building societies offer basic bank accounts that provide this facility⁴.

Consumer education is also critical. People opening an account for the first time need to be properly supported through the process to improve understanding of how direct debits work and the benefits they can provide.

Banks and building societies are also not the only potential providers of such services. Some consumers may be more willing to use bank accounts if they are provided by alternative organisations, such as credit unions or post offices. Both are regularly cited by consumers as trusted sources of information.

Post offices:

Many post offices are ideally placed, both in terms of their physical location and typical customer demographic, to act as 'community hubs' for improving access to a range of financial services, including bank accounts, free access to cash, small scale savings and insurance.

We welcome the Welsh Assembly Government's commitment to supporting post offices with respect to promoting financial inclusion. While recognising there are references within the Action Plan relating to the role of post offices (eg. holding discussions with Post Office Ltd on how to actively promote the Post Office Card Account (POCA) and supporting post offices through the Post Office Diversification Fund), we would like to see more detail on the implementation and monitoring of these measures so the impact they will have on improving access to such services for consumers can be properly assessed.

We also believe the typical post office environment remains fairly traditional and somewhat out-dated. While research undertaken by one of our legacy bodies, Postwatch, found most users in Wales were satisfied with the service provided consideration should be given to improving the overall customer service experience

⁴ www.moneymadeclear.fsa.gov.uk

at post offices. Lessons can be learnt from banks and building societies who have made considerable changes in-branch to make them both welcoming and conducive to sharing personal information with bank staff. More self-service facilities should also be introduced to help reduce queues and free-up face-to-face assistance to those in most need of support.

In addition, while recognising the opportunities for post offices to improve access to a range financial services we also believe that as a widely-trusted organisation they should avoid the 'hard-sell' approach for their products (eg. insurance) as this is only likely to discourage people from taking up particular services, or lead to them taking out products that may be inappropriate to their needs.

Access to cash:

Acknowledging many consumers' preference for using cash is as equally important to the financial inclusion agenda as promoting the use of bank accounts. Cash still accounts for 37% of consumer expenditure and around one in five adults makes all of their day-to-day purchases in cash. The UK National Payments Plan recognises that "*cash will remain a major payment method for the foreseeable future*"⁵.

Consumer Focus Wales believe it is a consumer right to be able to access their own money conveniently and for free.

We welcome the work that is currently underway by the Welsh Assembly Government, LINK and the Bank of Ireland/Post Office Ltd, to improve access to 'free-to-use' ATMs in some of the most deprived areas of Wales. Providing free access to cash is a key financial service and one which can potentially incentivise people to use their local post office more frequently. We urge that this work continues, in conjunction with local authorities and community based organisations, to identify and secure the locations of machines in areas where there is most need.

We note that the Communities Directorate will continue to monitor the closure of bank branches and post offices across Wales to identify areas with limited access to high-street banking services. In terms of the location of 'free-to-use' ATMs, it is important that any mapping system used to identify appropriate locations should reflect peoples' journey to an ATM, such as the availability of public transport, or geographical barriers (eg. roads, mountains, rivers) which may make walking a problem. A degree of re-mapping may be required in light of recent post office closures.

Insurance:

Previous (unpublished) research by the Welsh Consumer Council in 2006⁶ found that around a quarter of Welsh households (24%) *didn't have* home contents insurance, rising to 38% of those from social grade DE and 47% of those living in

⁵ 'National Payments Plan: Setting the strategic vision for UK payments', Payments Council (May 2008)

⁶ The research was undertaken by Beaufort Research Ltd as part of their Quarterly Welsh Omnibus Survey. A total of 1017 interviews were conducted in September 2006. The Omnibus survey is designed to be representative of the adult population resident in Wales aged 16 and over.

rented accommodation. Cost was the predominant barrier to take-up and this can often be affected by where you live (crime levels, average property prices and the probability of flooding or subsidence can all have an impact on premium rates). As with other financial products how people pay can also affect affordability levels. There is also an element of 'self-exclusion' linked to perceived irrelevance (compared with other priorities), apathy or general mistrust/suspicion of insurers to pay out when the need to claim arises.

In our recent research, home contents insurance was felt to be desirable and important by a number of respondents, however once again the practical obstacle was affordability. This level of interest was largely as a result of personal experiences of burglary.

Many social housing providers now offer affordable insurance with-rent schemes and in some areas regional premium rates have replaced more localised rates to help reduce the impact of living on an estate with higher crime levels, however take-up remains low. It would appear that for many low income households, especially in such uncertain times, even when premiums have been reduced and weekly payment terms have been introduced, the additional cost of taking out insurance to protect their belongings against something which may or may not happen in the future still remains too much to bear compared with other priorities.

In spite of this, the consequences of being burgled or the victim of a fire or flood without insurance cover can be devastating. Encouraging the take-up of home contents insurance amongst tenants in the social and private housing sector should remain an important part of any financial inclusion work being undertaken by social housing providers and others.

A coherent and proactive education programme on the value of home contents insurance to tenants is needed in order to encourage wider take-up. Positive word-of-mouth has been proved to be a powerful tool in the promotion of home contents insurance. Peer educators should be more widely used to relay information to fellow tenants however it's vital that they fully understand all the terms and conditions of the product they're promoting to avoid misinformation.

Theme 2 - Providing affordable credit and savings:

Many of the consumers who took part in our poverty premium research had an aversion to going into debt, largely linked to previous bad experiences and the worry of not being able to keep up with repayments. However cash-flow problems, living on low income, and unexpected expenses/circumstances can all put additional pressure on household finances to the extent that the majority of people have no option but to borrow from time to time. Our findings showed this tended to be for essentials (eg. paying bills, buying things for children, washing machines, cars) rather than for more 'frivolous' reasons (eg. holidays, going out).

Manageable borrowing provides a huge benefit to many consumers but financially excluded households who need credit have a limited range of options available to

them. Often they are forced to use alternative high cost lenders such as home credit companies, 'sub prime' credit shops or even illegal lenders.

Others rely heavily on family and friends for credit, to avoid paying interest and be able to pay it back in small weekly instalments over a longer period of time. It's therefore also important to consider the wider impact this could have on said family and friends in terms of their ability to afford their own everyday living costs.

For such households access to affordable credit is critical.

Third sector lenders, such as Credit Unions (CUs) and Community Development Finance Institutions (CDFIs), have the potential to play a key role in extending affordable credit to low income consumers, particularly when, as noted in the Strategy, banks have acknowledged that they are never likely to provide mainstream finance in small amounts to this group.

Credit Unions across Wales have been trying for many years to break the cycle of reliance on home credit that exists in many deprived communities but this is by no means an easy task. Often representatives from home credit companies are well-known in the local community, with long-standing relationships that have developed over generations – changing this culture of money management is therefore a considerable challenge.

The main attractions of home credit, are the ability to borrow relatively small amounts of money *instantly*, affordable weekly repayments and the doorstep service. Therefore, as far as practical, CUs and other third sector lenders need to compete on this basis. The failure to do this is unlikely to result in the cultural shift that's required to move people away from using home credit companies and credit shops.

Many of the people who took part in our recent research had personal experiences of using companies such as the Provident and Brighthouse. Although they were severely criticised, most believed people in their situation had little choice but to use this form of credit. No one was at all surprised at the rates of interest charged by these lenders. All had a view that they were particularly expensive, although many found it hard to assess the extent of the difference between these and more mainstream forms of credit.

Our recent research found very few people were aware of CUs (although it should be noted that members of CUs were screened out at the recruitment stage) but those who had heard of them (mostly through word of mouth) had generally positive impressions of them - although knowledge of how they worked was somewhat limited. When the idea of credit unions was explained to them, many were interested in finding out more, especially as a means of saving for Christmas and special occasions.

Clearly there is a huge need for CUs to capitalise on the evident interest in their services through improved promotional activity and by building stronger links with other organisations. While CU membership has increased over recent years less

than 2% of the population are currently members.

There is also a need to build on the services offered by CUs – their ability to offer instant loans will be critical if they are to meet the needs of low income consumers and be a viable alternative to home credit companies.

They are also ideally placed to offer a gateway into additional financial services – eg. current accounts; savings, financial literacy advice.

We welcome the Welsh Assembly Government's commitment to supporting Credit Unions across Wales and the recognition that many existing CUs will need to change and expand their services if they are to increase their membership and become a viable alternative provider of financial services for low income consumers.

It is hoped the recently commissioned Credit Union research programme will provide a detailed picture of the current state of the CU movement in Wales and the subsequent Credit Union Action Plan will help address some of the inherent problems in some areas, as well as supporting CUs across Wales to offer more services and ultimately achieve long-term sustainability.

To reduce the hold home credit companies have on many deprived communities in Wales we believe it's important to recognise that CUs are just one option for extending affordable credit to low income consumers. Other approaches, such as CDFIs, may be able to offer more appropriate services to particular groups of consumers (even if interest rates are notably higher than those set by CUs), including those who are deemed higher risk customers and those wishing to set-up small businesses. There are examples in other parts of the UK where CUs have worked successfully with a CDFI for the mutual benefit of both organisations. We note the work that is currently being undertaken with Robert Owen Montgomeryshire Credit Union (ROMCUL) along these lines and, if successful, hope this is a model that could be considered in other parts of Wales.

Promoting affordable, small-scale saving is also an important element of the work of credit unions and post offices. Almost all those who took part in our research thought it was important to try and save money whenever possible. Some tried to save for special occasions (eg. Christmas) or put money aside 'for a rainy day', but tended to pass money to other family members to keep safe for them, rather than opening a personal savings account. Others just found the realities of life and living on a low income made it impossible to save.

If more people on low incomes are to move away from their current 'informal' ways of saving to more formal (and secure) savings accounts (with associated interest gains), they need to be better supported and guided through the most appropriate savings products for their circumstances.

We welcome the work that is due to be undertaken by the Welsh Assembly Government and the Financial Inclusion Champions Team to encourage habitual saving amongst low income consumers. We agree national schemes, such as the UK Governments Savings Gateway and the Child Trust Fund, offer excellent opportunities for low income consumers and young people to be introduced to the

benefits of formal saving. Schemes set-up by credit unions or post offices should also help to encourage greater use of the other financial services offered by these organisations.

Theme 3 - Improving access to financial and debt advice:

Previous research into the nature and extent of credit use and over-indebtedness in Wales (commissioned by the Welsh Consumer Council in 2002)⁷ predicted that any economic downturn in Great Britain would have more serious consequences in Wales, would affect more households and would take longer to recover from.

This was due to the fact that, in addition to lower than average earnings and higher levels of benefit receipt, more households in Wales had active credit commitments than the British average; a higher proportion were heavy borrowers and a bigger proportion of people's income was required to cover credit repayments.

The scale of the current recession and its impact on many consumers in Wales, particularly those threatened with redundancy/reduced working hours, or with high levels of existing debt, is therefore an issue of considerable concern.

In such uncertain times, the ready availability of specialist debt/legal advice is critical to prevent situations becoming urgent and acute. We welcome the current work being undertaken by the Welsh Assembly Government to map the provision of debt and money advice across Wales, which should help to identify areas with insufficient coverage, although we would like to see clarification on how any gaps in provision will be addressed.

The right signposting systems need to be in place, so people who find themselves in this situation are forwarded to the most appropriate support at the earliest opportunity. However while raising awareness of the help available is important, it is even more important to ensure debt advice services are sufficiently funded to meet rising demand.

Most debt advice providers depend on a range of funding streams. With funders budgets likely to be squeezed further over the coming months the security of funding for debt advice will come under increasing pressure. In recent years, as detailed in the Strategy, Wales has been fairly successful in securing funding available via the UK Government's Financial Inclusion Fund (FIF), including the Face-to-face Debt Advice Project. With additional funding for debt advice being announced by the UK Government in November's Pre-Budget Report and additional measures to help counteract the effects of the recession being announced in April's Budget, it is vital that work continues to ensure Wales receives a fair proportion of the help available to cope with the higher than average level of financial problems in Wales compared with Britain as a whole.

Prevention is equally important. We will also monitor with interest the progress of the FSA/HMT Money Guidance Pathfinder Programme and strongly support a

⁷ 'Credit use in Wales', Welsh Consumer Council (December 2003)

national roll-out that will ensure all consumers in Wales have access to free generic money advice. We believe the programme in Wales should initially be targeted at young people, those on a low or limited income, those with wider basic skills needs, and other vulnerable groups, who might benefit from this type of advice, especially during such uncertain financial times.

Theme 4 - Increasing financial capability/financial literacy:

Equipping people with the necessary knowledge and skills to manage their money effectively and make informed financial decisions is essential for them to participate fully in society. Those without these skills may make poorly informed decisions which result in the purchase or use of more costly, inappropriate and/or unnecessary financial products.

There have been significant and very welcome developments to improve financial capability/financial literacy over recent years, both at the UK and Wales level. Our legacy body the Welsh Consumer Council was one of a number of organisations who successfully campaigned for personal finance education (PFE) to have a more dominant position on the National Curriculum in Wales.

We hope work in this area will continue to develop over the coming years. We endorse the 'whole school approach' to PFE. In addition to curriculum requirements, wherever possible further opportunities should be sought for endorsing pupils' knowledge of money-related issues in the context of 'real-life' situations and through other subjects such as ICT. Evidence shows that strong leadership and direction are important success factors if commitment is to be ensured throughout the school.

Providing appropriate and adequate support for teachers will be a key factor in the success of improving PFE in schools. Once it is fully operational it is hoped the Welsh Assembly Government's Welsh Financial Education Unit will become a 'one-stop-shop' for advice and assistance for teachers and others.

Many quality resources for teaching financial literacy have already been developed by a variety of agencies. To support its enhanced position on the curriculum it is important that awareness of such resources and the work undertaken by organisations, such as the Personal finance education group (PfeG), is raised and information disseminated to all schools in Wales.

Financial capability work outside the classroom is equally important. We strongly support the work currently being undertaken by the Assembly Government and the Financial Services Authority (FSA) in Wales as part of the FSA's National Financial Capability Strategy. As already mentioned at the beginning of our response the current recession provides a number of opportunities for developing financial capability work.

These include:

- Budgeting skills help people cope when faced with greater pressures on

household finances;

- Stressing the importance of seeking advice as soon as possible should help to prevent financial difficulties from becoming acute;
- Having a greater awareness and connection with financial services will enable people to see that how you pay affects what you pay (eg. types of credit; advantages of direct debit);
- It will also help people to recognise the importance of having a financial safety net (both savings and insurance).

It's therefore important that there is sufficient, sustainable funding for financial capability work to continue, particularly work which targets low income consumers and other vulnerable groups who are likely to benefit the most from such advice and support. The work should be delivered by working with Citizens Advice Bureaux, social housing providers, credit unions and other organisations that provide trusted sources of advice in the community (including mother and toddler groups/children centres).

Energy/switching advice:

The recent Ofgem Energy Supply Market Probe found that switching rates in Wales are considerably lower than the UK average and that Welsh consumers rated loyalty to a supplier far higher than UK averages.

Clearly much more needs to be done to encourage more consumers in Wales to benefit from the competitive energy market. Educating consumers on the current market situation and how to find their way through the 'energy maze' will be fundamental in achieving this. Such entrenched behaviour cannot, and will not, be addressed effectively unless campaigns are targeted and sustained.

It is also critical that the provision of information to consumers is effectively monitored and 'policed'. As identified in the probe findings, without the right information many people, especially those on lower incomes and Prepayment Meter (PPM) users, are actually switching to more expensive deals, most notably those approached on the doorstep. For the information to be useful it needs to be easily comparable, take into account consumer's literacy levels and conform to standards of good English, Welsh and other languages, where appropriate.

Consumer Focus Wales will be doing further work in this area over the coming months, which may include developing 'Safer paths to switching' guidelines, building on the campaigns of our legacy body energywatch.

In order to reach vulnerable groups we also believe there are good opportunities for building advice on home energy issues into wider financial capability initiatives alongside advice on issues such as budgeting, bank accounts/payment methods, and credit.

Theme 5 - Income maximisation:

Income maximisation is a critical element of the financial inclusion agenda and helps to reduce the shortfall in take-up amongst some consumer groups (particularly older people) of the full range of benefits, tax credits and rebates to which they are entitled.

We welcome the fact that income maximisation has been identified as a separate theme within the Strategy. The value of benefits not being claimed by a range of consumer groups is considerable and boosting income in this way can have a significant impact on household finances. For example, it may help to prevent people from having to borrow to meet basic needs or do without essential goods and services, such as energy and food.

The Welsh Assembly Government fund a number of income maximisation programmes, including the Better Advice: Better Health Programme, local authority based initiatives to increase the take-up of Housing/Council Tax Benefit and a campaign to increase benefit take up amongst families with disabled children. It is also a key element of the Home Energy Efficiency Scheme (HEES).

It is hoped this Strategy will help to provide a much-needed joined-up approach to this work which should help to improve the targeting, co-ordination and implementation of such schemes.

We welcome the work that has been done to identify the barriers that prevent people from taking-up their full entitlements and hope this information will be used to improve existing programmes.

When measuring the outcome of this work it is important to differentiate between identification of entitlement and actual take-up as these are very different things. Success should be assessed against the amount of additional benefits that have been secured.

In addition to securing benefits, delays in payment due to administrative problems can cause considerable difficulties for claimants – knock-on effects can lead to wider financial problems (including debt) and threats of eviction. The administration of Housing Benefit has been particularly criticised in the past. Efforts have been made to improve the process over recent years and the situation has improved in some areas of Wales, but much more still needs to be done.

3. Is there anything in the Strategy that you do not agree with? Why and what do you propose should be in its place?

No comment.

4. The Welsh Assembly Government believes that the only way that our shared aims can be achieved is if everyone across the range of statutory, private and third sector organisations, works together to achieve the actions needed. Do you think that the Strategy will help to ensure that everyone does play their part? What else do you think needs to be done to help improve partnership working?

We strongly agree that a cross-cutting approach to reduce financial exclusion is required in order that resources can be targeted effectively and reach those most in need of help and support. As already stated, being financially excluded can impact on many aspects of people's lives so promoting financial inclusion is relevant to the work of many organisations in the public, private and third sector.

The role of the Financial Inclusion Champions team will be critical in advising the development of this work at the local/community level. However the work this team will do over the coming years is just the beginning. To ensure the effective delivery of local strategies and programmes commitment is needed at the highest level within local authorities, housing associations, Local Health Boards, Local Service Boards and other organisations with a relevant interest in this agenda. Without the 'buy-in' from senior management, adequate resources may not be secured to help tackle the issues and the cross-cutting approach that is required is less likely to be achieved.

One way to support this would be to identify local 'financial inclusion champions' within individual local authorities and housing associations to help promote and co-ordinate their financial inclusion work as well as ensuring the links are in place with other related-work across the authority/association (eg. tackling fuel poverty).

5. How do you think that the success of this Strategy should be measured?

One of the key ways the success of the Strategy should be measured is against the impact actions/interventions undertaken as part of the Strategy actually have on consumers. While the primary focus will be on the financially excluded, many other consumers are likely to experience changing and difficult financial circumstances over the coming months/years due to the current economic climate. We welcome the acknowledgement that actions will need to be reviewed at regular intervals to reflect this ever-changing landscape.

We note with interest the proposed outline for monitoring and evaluation of the Strategy and look forward to hearing further details once the framework of indicators and activities for evaluation has been developed.

Gathering baseline survey data from a variety of existing sources is a good starting point. We welcome the use of the Living in Wales Survey for gathering Wales-specific data. There is a definite need to gather statistically representative survey data for Wales so that information can be analysed on a demographic/regional basis.

We also believe consideration should be given to commissioning ad-hoc quantitative surveys to gather data on specific areas of the financial inclusion agenda. We agree that statistical information alone has its limits. Qualitative research techniques will also need to be used to gather more attitudinal information and to further explore potential barriers to behavioural change, where they exist.

The impact of short, medium and longer term actions will need to be assessed. While recognising that some of the outcomes can be more easily measured than others, wherever possible we believe the key focus should remain on the consumer, in particular what actual difference particular actions/interventions have had on their lives.

Consumer Focus Wales has excellent experience and expertise in social research and would welcome the opportunity to discuss any future contributions we could make to this area.

8. What more do you think that the Welsh Assembly Government could do to fulfill its leadership role on taking forward the financial inclusion agenda?

We welcome the fact that the Welsh Assembly Government is committed to taking the lead in improving financial inclusion across Wales. We note that the Financial Inclusion Unit will be co-ordinating and overseeing activity across the Assembly

Government, as well as ensuring the work complements UK Government policies and actions.

As stated at the beginning of our response, financial exclusion and debt can inhibit the effective delivery of many government policies including the eradication of fuel and child poverty, neighbourhood renewal strategies, economic development, and policies to improve health and well being.

Therefore mechanisms need to be put in place to ensure work on this agenda is given sufficient prominence within related work being undertaken by the range of other departments across the Welsh Assembly Government.

In this consultation, we have asked a number of definite questions. If there is anything else related to this consultation that you would like to comment on?

No further comment.

End

The Welsh Assembly Government would like to thank you for taking the time to read the draft version of our Strategy and complete this questionnaire.